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6 JANUARY 1987

WEST EUROPE REPORT

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PAPANDREOU REPORTEDLY EYEING PRESIDENCY

Athens POLITIKA THEMATA in Greek 31 Oct-6 Nov 86 pp 8-9

[Editorial by N.D. Delipetros]

[Excerpt] It seems that the relations of Irodou Attikou street [president's mansion] with Kastri are not so good.... And we also should stress that the up-setting of these relations was not due to actions or oversights of the opposition.

It is true that the official opposition had objected strongly--and soundly--to Sartzetakis' election. But when--despite the opposition's struggles, carried on mainly, if not exclusively, in the Chamber of Deputies--Sartzetakis took over the position and began--illegally or legally--to exercise the duties of the president of the republic, from that time on no actions or oversights on the part of the opposition have been noted which would justify one concluding that the opposition is seeking a prolongation of the great crisis begun on 9 March 1985.

In fact, the official opposition has been criticized by certain sides because it has not attached the proper significance to the events which began on 9 March. And it has not exploited--in an oppositionist manner--the repercussion these events had on public opinion.

Some time ago--quite some time ago--Andreas said:

If I were aspiring to go on to the Presidency of the Republic, would I, when the constitution was revised, have seen to removing capacities from the president and giving them to the prime minister?

This observation was rational. But it was rational under the conditions existing at the time it was made: When--immediately after the elections won in June 1985--Andreas was feeling strong and was possessed by the conviction that he was almost irremovable in the position of prime minister-monarch.

But the recent municipal elections led him to understand that he will not have a long space of time as prime minister. And he has begun to eye the presidency as a refuge at the hour of need.

This refuge is being barred to him by Sartzetakis, with the intention he expressed to not be removed, even by "winch," from the position he holds....

If you were to ask us how certain we are about the above, we would answer sincerely that we are not certain.

We are trying, however--along with many others--to find some logical-sounding explanation for the attacks the president of the republic is suffering from the government side. Attacks which tend to create the impression that in the wider government area--including the political area--there is, at present, nothing solid and secure, that governmental political acts and governmental political decisions have been replaced by political "intrigues" and political companies.... And that, finally, there are in operation "mechanisms" and engineers" who are taking charge, contractually, of conducting every suspicious action--including even defaming people in high places.

9247

CSO: 3521/24

PAPANDREOU SEEN INCREASINGLY ISOLATED FROM PARTY, ENTOURAGE

Athens ANDI in Greek 7 Nov 86 pp 14-16

[Article by St. Kouloglou: "The Absolute Isolation of a Former Ruler"]

[Excerpts] Self-Prisoner

If there is one thing which caused the greatest astonishment and the most perplexity, but also widespread anger in the government camp, it is the fact that Andreas Papandreou seemingly had no obstacle to bringing about the changes demanded by the municipal election results. Particularly after 1981, he had succeeded, in a series of well-planned movements, in taking all the powers into his own hands.

Especially after the "death blow" to the party machine--that is, the Executive Office reshuffle in September 1985, and implementation of the income policy in October of the same year--the prime minister begins to remove himself gradually from the last untouched pole of power in the government camp, namely, his entourage. Menios Koutsogiorgas, after accepting Giorgos Gennimatas as his substitute in the parliamentary representation, falls to "disfavor" with the Caribbean trip during Christmas 1985, loses the Ministry of Public Order in the April 1986 reshuffle and, in the turmoils of the latest reshuffle, ends up simply fighting for his position in the Ministry of Interior. Giorgos Katsifaras, select member of the "entourage," tries without success, for a week before announcement of the latest reshuffle, to communicate with the prime minister to ask for the Sub-Ministry of Athletics and crashes into the wall he himself had helped to create.

In the meantime, beginning in January 1986, the isolation of Andreas Papandreou grows continually: Special remodeling of an area in Kastro with a computer and satellite television and weakening of communication with the "entourage," but also the ministers. The latter begin to complain that the only issues in which the prime minister shows any interest in his discussions and contacts are international developments. For its part, the "entourage" begins to incite even sworn enemies of the party machine, stressing that "we must do something to shake him up." In this summer of 1986, while fires burn the forests and increases in public utility prices are announced, Andreas Papandreou will declare after a meeting which decides on the increases that "he presided."

The "shaking-up" caused by the 1986 municipal elections lasts a short period of time, especially when representatives from the various "lobbies" in the

government camp who visit him or confer with him about the reshuffle try, each for different reasons, to decrease the significance of the political defeat: The great majority of the Executive Office because it is afraid it will be considered responsible and will be reshuffled, the representatives of the Parliamentary Group because otherwise a reason for the bad result will be attributed to inadequate mobilization of the deputies, and Akis Tsokhatzopoulos and Menios Koutsogiorgas because they will be charged responsible as the ones materially competent for the party or self-government, respectively.

Special Flavor

Consequently, the expedient underrating of the results will lead to a corresponding downgrading of the suggested corrective policies. Giannis Alevras will support a moderate expansion to the center, throwing the burden on the party organizations, and will receive from the partisans the answer about the "government of 1965" which rules, but, in the majority of cases, the various representatives will confine themselves to stating "their own" problems: The "parliamentarians" ask for deputies to be made ministers, the partisans seek "tried leftist people," the separate bargainers request their own personal favorites. The prime minister will decide to do the reshuffle this time "entirely by himself." "Everyone is asking for their own," he will say at one point to a person very close to him.

From here on we will have the deification, the highest form of the way in which reshuffles are carried out in PASOK. The insecurity will extend even to those who were sure about themselves or in previous times knew the general framework of the changes.

The Apostasy Syndrome

The "apostasy syndrome," that is, the prime minister's obsession according to which those heads which are higher than average must be cut off "because of the excess of personal strategies," again influenced the final form of the reshuffle.

Carrying out the latest one entirely by himself, Andreas Papandreou had the classic reaction of a ruler in times of crisis: He made it known in all directions that it is he who absolutely controls the game, that he is the incontestable ruler of political life. Only, he is no longer that.

Every Man For Himself

Having lost even the distorted information from the Kastri entourage, and getting news filtered through each group's separate power interests, the prime minister is obviously unable to conceive of reality as it is developing outside the four walls of his residence. This is why he will be astonished when informed of the titles in the pro-government newspapers the day after the reshuffle, and this is the reason for the repeated instructions to Andonis Kourtis about "controlling" the reactions of the friendly press, an effort which will prove to be rather unachievable.

In reality, the prime minister had planned to show the film we have seen repeatedly: The newspapers would stress the "new wind" which would blow at the government's skirts, while the deputies who were not made ministers would wait their turn. In the party, adherents of the "underminers" would be expelled, accession

to the Socialist International would be decided, while the frugality of 1987 could give way to better, pre-electoral days in 1988.

Life has proven much harder, with the result that PASOK has lost one percent of the electoral body after every movement it has carried out--reshuffle, Central Bank, DEI [Public Power Corporation]--when at the same time a series of other factors forebode a more dramatic sequel. The United States appears to be re-examining its stance vis-a-vis New Democracy, estimating that the "PASOK horse" is not pulling anyone else, while the situation for the economy is even worse. Rejecting a solution which was absolutely in the public's interest, the government on the one hand satisfied ETHNOS and the prevailing of the bank employees' union which hastened to applaud the passing of the Central Bank to the warm embrace of the state cow, but, at the same time, it dealt a very serious blow to its own efforts to attract investments, when, in fact, it is clear we are entering a period of intense political fluidity, if not instability. The government's retrogression on this last issue showed its essentially main weakness: The lack of a firm policy, and its reversal existing in the face of the political cost syndrome or the pressures and infighting of the government "lobbies."

At the same time, all the indications and information up to this point show that the 1987 budget will be much tougher than the 1986 budget, which will cause strikes, while the state already appears to have become paralyzed since the day after the reshuffle. Scandals are beginning to come one after the other, a fact which obliterates even more, for large parts of the electoral body, differences with the Right, while the most sober and incorruptible members of the government, such as Kostas Simitis, are being dragged down into the vortex.

ND is the only one terrified by developments. It clearly would desire a slower deterioration of PASOK so it itself is not forced to shoulder the tough season of frugality or even the bases agreement and, most of all, to reach power with a percentage equivalent to that of PASOK in 1981. It is distinctive here that the ND leadership's instructions to all the newspapers friendly to it which hold economic scandals in their hands recommend a gradual publicizing, not a frontal attack against the government.

From its side, PASOK is losing every day the strategic advantages which had been left to it, such as that of the electoral law and, more generally, of the change in the terms of the political game: The modernized Right is beginning to get organized no longer as a party, but as a social-political faction which has the possibility of coalescing all its heretofore centrifugal political and electoral wings, as were DIANA [Democratic Renewal] and the hesitating voters, respectively. The simple proportional system is becoming every day less effective for creating cracks in the Right and upsetting its parliamentary self-power.

Andreas Papandreou is being called to show that he is, if not a ruler, at least a good player, which means knowing not only how to win but also how to lose. The PASOK leader's history thus far is not particularly encouraging. His 1974 "defeat" led to a series of mistaken maneuvers which ended in the 1975 break-up, while the signs are even worse for the first real defeat PASOK has known since the time of its establishment: the 1986 municipal elections.

If the PASOK president were not a prisoner mainly of himself, he could have reversed the flow of events. In contrast, what has ensued are omens of an extended

political crisis. If developments are not reversed--and, in fact, quickly--the slogan, "Every man for himself," will prevail in the government camp. Already top officials in the government are seriously considering the possibility of getting off the train, while the only thing keeping a line of deputies from doing the same is the charge of apostasy and the redirecting of developments away from the country's real problems. But PASOK remains a personal party: This centrist slogan for the future will be bestowed by the leader himself.

9247

CSO: 3521/24

COMMENTS ON KKE'S FLORAKIS' FUTURE AFTER RUSSIAN VISIT

Athens POLITIKA THEMATA in Greek 7-13 Nov 86 p 16

[Excerpts] The photographs showed the two men smiling. One was the Reykjavik protagonist, so glum then as he came out of the talks with President Reagan. Now, however, he laughed heartily as he met with one of his comrades, Greek KKE leader Kharilaos Florakis.

Commentary: The unusual length of the Gorbachev-Florakis talk is attributed by leftist circles to the Soviet leader's interest in Greek issues, and to the recognition of Florakis' policy, or the upgrading of the Greek Communist Party in the estimation of the Soviet leadership.

It was not made known whether there was discussion during the meeting of the issue of a change in leadership, which, according to POLITIKA THEMATA's information, will be noted in the KKE with the voluntary departure of Florakis, covered in all his party laurels.

The KKE secretary general, for personal reasons and because of age, appears to be coming to the honorary exodus, when he will hand the leadership over to a younger party guardianship.

Other information maintains that, following the party's success in the municipal elections and the lengthy Florakis-Gorbachev meeting, the KKE secretary general will remain firmly in his position as leader.

Finally, a third arrangement is being discussed in other KKE circles: Not putting Florakis out of commission, but having him helped in his duties by an assistant secretary general, a position not provided for in the party by-laws, but something which could be decided on at the party congress next May.

9247

CSO: 3521/24

MOVEMENT SEEN IN IMPROVING RELATIONS WITH TURKEY

Noted Composer Views Rapprochement

Athens ENA in Greek 23 Oct 86 pp 41-44

[Interview with Mikis Theodorakis by A. Delis]

[Excerpts] An interview with [composer] Mikis Theodorakis always causes a storm because he is always a torrent. He thinks strongly even when he discusses politics. Thus, his views--"good or bad"--are as inconsistent as he is in this interview. He claims that Greece is to blame for all wrongs in the Aegean and Cyprus as well as for Attilas [invasion of Cyprus].

He also claims that "Turkey is not a junta" because, historically, the Army there was always the spinal column of change. He even accuses the Karamanlis of '60 and sings the praises of the Karamanlis of '74. He is always at odds with Papandreou as well as with all the "artistocrat leftists" who accuse him that by going to Turkey he provided an alibi to Evren.

Ladies and gentlemen, we present to you Mikis Theodorakis in... new adventures. "A naive pro-Turk" or a "realist, pacifist democrat?" Take your choice...

We Should Make Up With the Turks

From the heights of his prominence Mikis Theodorakis proclaims: We should make up with the Turks; we should abandon the policy of animosity; we should accept Turkey into EEC; the two peoples should extend hands of friendship and cooperation and we should come to an understanding before it is too late, before we are caught in the war's trap...

[Question] Let us see what your trip to Istanbul means. Of course, you did not go only for a gold record...

[Answer] I admit that I am deeply concerned about Greek-Turkish relations. Every day I discover that there exists collusion, that big interests contribute to this game of disputes and ostensible prospect for war. This, of

course, serves the party's [PASOK] short-term benefits but also poisons our country's national life, disorients our people and leads our national policy to a minefield of international relations with unforeseen developments. I have reached the conclusion that, as long as we do not seek peaceful co-existence between Greece and Turkey, we are moving away from reality, from the vision of peace and from a missile-free zone in the Balkans.

[Question] Don't we Greeks aim at such peaceful co-existence?

[Answer] Not only do we not pursue it but we undermine it. Of course, the government is compelled to respond to provocations, yet we should do what we can to eliminate any gap between the two peoples. More still, the two countries, being NATO members, are somewhat obligated to cooperate on a--let us say--staff level. Both countries will then be brought into line.

[Question] Not necessarily...

[Answer] Then, why doesn't the [Greek] government withdraw from NATO as the Karamanlis government did and all the problems which had developed in the Aegean automatically ceased to exist...I believe that all the problems in the Aegean have been incorporated into the plans of NATO which wants the Aegean split up. What does this split up mean? It means that Turkey should assume a part of responsibility in the Aegean. This is NATO's logic.

Yet one should know that the danger to the Atlantic Alliance comes from the Soviet Union and mainly from the Warsaw Pact. Thus, in the case of defense all of us are equal, isn't that so? Both we and the Turks have equal responsibilities. Perhaps the Turks have a greater responsibility because they have greater military strength.

Under this logic, therefore, the Americans (and by extension the Turks) see that, in the event of war with the Soviet Union, the Turks must also bear a responsibility in the operational area for the common defense of the Aegean.

[Question] Isn't your scenario risky? How can it be possible to check the continuous demands of the Turks? Do you think that this is a matter of concern only to NATO?

[Answer] In politics one takes into account even the worse things that can happen. I know that when Greece withdrew from NATO all problems ceased to exist. But I am not the one to suggest the government's foreign policy.

The continental shelf issue is another problem, a new, "modern"--let us say--problem among many countries, even between friendly countries such as Sweden and Denmark. In these cases, too, we have international law and international courts where disputes can be solved.

The Visit to Turkey

[Question] What is the meaning of your visit to a country which is governed by the army?

[Answer] First of all I went to Turkey because I am concerned about other issues: the case of Cyprus which goes from bad to worse. For this situation the responsibility lies with governments. Because, if it is assumed that Turkey has--and it does--territorial designs in Cyprus, then our policy helps this Turkish policy to succeed.

We provoked the Turkish invasion. What are we debating now? What are we, deceivers? Whom do we try to deceive? You will tell me that at that time we had a dictatorship. Then, why did the Greek people allow Ioannidis to rule them? When I was in prison, I said that if all Greeks had blown out simultaneously, Papadopoulos would have fallen. The people tolerated the dictatorship. We cannot now say that Ioannidis was something else.

He did everything in the name of Greece. And we arrived at the point we deserved. We are the responsible party for what happened in Cyprus in 1974. From then on the Turks had to get serious guarantees. The issue remains open. Whether it should be referred to the UN, whether American and Soviet troops should go to Cyprus, I do not know myself what must be done in order for these people [Turks] to feel protected.

We can't say that we do not discuss the issue. What are we? Are we the pure virgins who were raped and now are protesting? No. We lost our purity long ago and yet we consider ourselves pure, spotless...

Toward Partition...

[Question] Greece has never denied its responsibility for the dictatorship, but no matter how we look at the Cyprus situation, we cannot remain indifferent to Attilas...

[Answer] Do you know what we are doing? We assume the position of a prosecutor, we point the finger to the Turks as if they are criminals and we say: they are to blame. For me such an attitude is not manly. I don't say this in support of Turkey but as long as we fail to see reality the other side will reap benefits.

Look, we have the UN resolutions but Turkey flouts them. The Turks occupy 40 percent of the island; they bring settlers from Anatolia; they create an army; at any moment they are ready to occupy the rest of the island; they are trying to establish their own state and, alas, if such a state is recognized, albeit by even one other country.

Thus, we are going to have two states. This is what the Americana and NATO want, this is what the fanatic Turks want, what the fanatic Greeks want but

don't say. We are headed toward partition and one section will be an annex of Greece and the other an annex of Turkey. Of what advantage will such partition be to the Americans? The advantage will be that they will have two NATOist states, two legal bases.

[Question] In your assessment you surely do not take into account cooperation between Greece and Cyprus. Both sides agree on handling...

[Answer] The way this cooperation is carried out only assists the plan for partition because the more things become aggravated the greater becomes the hatred of the two communities. Personally, I would implement the policy the government follows if I had a realistic way of expelling the Turks from Cyprus. Since we cannot do so, why is the situation aggravated with no solution in sight? And what is the solution? It is the talks between the two communities.

But as time passes, we lose ground because in diplomacy the Turks are better than we. It should be understood that mistakes are common. The Turks are to blame but so are we. And of course, those parties are to blame which cultivate the dispute between Greece and Turkey, a dispute which for the Soviets may be welcome because, fearing an impending attack by NATO, they see with glee two NATO allies quarreling. The Alliance is weakened.

[Question] And the Americans? Why do they allow it? What is their benefit?

[Answer] I believe they feel that the situation is under control. Besides NATO, we have the "lobbies" which have profitable accounts. They have a certain, large benefit from this military junk they sell us each year. The famous "purchase of the century" alone will make debtors of us for 50 years. And to think that Turkey receives twice as much!

And the most important aspect of this story--and both governments know it--is that these arms are not for use in a Greek-Turkish dispute. They sell them to us in order to hit bigger targets. The Greek government created the Greek-Turkish dispute in order to justify the expenditures--money which could be invested in education, health, culture.

Moreover, no one dares say anything [against such policy] lest he may be accused that he does not love his country. The same is true with the Turks.

[Question] The question is: why did you visit a country where the army is a protagonist and rules it, where the country's present and future is charted by the military?

[Answer] I think we make a basic mistake about the army in Turkey. We can't understand that the army there is not what Papadopoulos was here. The army there is the spinal column of the political life; it has been the axis of the great change since the Ottoman Empire and, in the Ataturk era, it had been the country's most progressive element. For his liberation struggle Ataturk

used the army which was helped by Lenin exactly because it undertook a liberation struggle.

In Turkey the army is an overseer--unlike the case with the Greek colonels. The army is a national institution which has its positive and negative aspects. It's a reality. But we must make it very clear that the army in Turkey is a "vicar" of political authority. Its leaders, having maintained its (vicar's) nationalism and its Turkeyism, are now in negotiations with the Americans, offering greater guarantees for Turkey's stability and proof of it is Turkey's economic relations with the Soviet Union. The Soviets give Turkey three times as much as the Americans.

What I Said to the Turks

[Question] While in Turkey did you speak against the junta?

[Answer] I did not, because, first of all, there is no junta in Turkey. When I was there, they had elections. But for me, this was not the issue. I could shout "down with Evren" and the most they could do was put me on a plane and expel me. What would be gained from such an action? But I did say things which are more important. In Istanbul, at a press conference attended by 250 reporters--and not by the state TV--I spoke about Greek-Turkish friendship and I said that such a friendship should be based on certain principles.

First, respect of one people for the other. Second, we should respect each other's independence and territorial integrity and our friendship must be forged in a spirit of freedom, democracy and respect for human rights.

Dialogue Expected in 1987

Athens POLITIKA THEMATA in Greek 3 Nov 86 p 11

[Excerpt] Western diplomats in Athens predict that early in 1987 a Greek-Turkish dialogue will be initiated which will lead to the restoration of a regular diplomatic and political Greek-Turkish dialogue. The Greek attempt in trying to justify to both Westerners and Easterners its refusal for something which is in fashion and is promoted throughout the world is exceedingly weak. It is weak mainly because through a dialogue one averts tension and even conflicts without giving up benefits and rights.

7520

CSO: 3521/23

PRIME MINISTER'S SUCCESSES, FAILURES EVALUATED

Lisbon SEMANARIO in Portuguese 22 Nov 86 p 6

[Article by Marcelo Rebelo de Sousa: "Cavaco--1 Year Later"]

[Text] One year has gone by since the government of Dr Anibal Cavaco Silva went into operation.

A year that permits and compels us to make a brief but careful analysis of the PSD leader's performance in his government and in his party.

To make such an evaluation possible, it is important to recall what was the strategic political controversy delineated by the current prime minister:

1. To pacify, unify and establish a solid political and even charismatic authority within the PSD;
2. To bring about the fall of the Central Bloc, even with the serious risk of facilitating the expansion of Eanism and the formation and rapid affirmation of the PRD [Democratic Renewal Party];
3. To change the chronological order of elections, holding the legislative elections sooner and delaying the presidential elections, with all the possible consequences resulting therefrom;
4. To refuse a pre-election alliance with the CDS, relying upon a minority government, which would repeat, except for the inherent differences, the socialist attempt in 1976 to form a single-party, homogeneous government;
5. To establish a government founded politically on his major bases of support at the Figueira da Foz congress ("Cavaquistas in the true sense," the so-called Coimbra Group and the so-called "New Hope"), but based especially on personal trust and permitting recourse to technocrats from outside the traditional personalities of the party structure;
6. To promise the Portuguese people profound structural reforms, in the constitution as well as in common law;
7. To put all his bets on the candidacy of Dr Diogo Freitas do Amaral, a theme in fact that he affirmed at the Figueira da Foz congress, placing it in his first

speech as an essential condition for his belief in the future of the PSD (which, oddly, provoked resolute reactions among younger members, especially some in the government who today are among the most promising hopes of the government);

8. In the event of a presidential defeat, to go about dividing and weakening the opposition parties, "squeezing" the CDS without having to make large concessions; heating up the PRD in order to weaken the PS [Socialist Party]; faulting the PS for its inability to establish itself as a true governing alternative;

9. To pay special attention to his public image and to that of the government in power, dramatizing it, distancing himself from it, differentiating it at the risk of banality facilitated by the lassitude resulting from the lack of new faces in Portuguese politics;

10. To coexist pragmatically with whoever is finally elected president of the republic, emphasizing the psychologically stabilizing component of the combination of the chief of state--symbol of moderation, relaxation, goodwill--and the head of the government--symbol of authority, conviction, power (a combination that corresponds, if you will recall, to the democratic version of the two-headedness practiced in the "Estado Novo").

In defining the strategy summarized above, Dr Cavaco Silva called himself to a dual historic mission:

- a) To stabilize the governance of our country in the short run, trying to overcome the vicious circle of governments averaging less than 2 years, for that purpose taming the chronic impatience of and within the PSD;
- b) To bring about structural reforms guaranteeing that this short-run stability will not be transitory and passing and that the profound evils do not return to the surface, aggravated after a period of quietude and apparent national regeneration.

What Has Been Completely Successful

After 1 year, it is fitting to point out the successes (at least the major ones) recorded by Dr Cavaco Silva in regard to the two historic missions he undertook:

- 1. He asserted himself as a charismatic leader, respected, admired (with that arrogance that so upsets his adversaries, but without which--as one of the most intelligent men of the Left remarked to us the other day--one can be a pleasant supervisor but not an effective political leader, of either the Right or the Left);
- 2. He conquered the party, calmed it, smoothed injured feelings, silenced the bosses (or at least almost all of them), kept the intermediate levels of the party happy and attracted the rank and file;
- 3. He did all this with such authority that it can well be asserted that we have a leader for at least 10 years and quite possibly with political stamina for longer;
- 4. He enlarged the weight of the PSD nationally and, especially, personally seduced voting groups of the Right, in such a way that today he is the uncontested

leader of that Right (to the disgust of Dr Adriano Moreira, who could not be the leader in the scene and at the moment desired and now has to take part in a show that is not his and in which the producer decided to take over his place on the stage);

5. He has attracted the support of fringes of the PRD for a year, and of an element of the liberal Left that now is aware of the fatal fragmentation of the Left, although it would never in this world allow itself to be labeled of the Right;

6. He has managed economic and financial affairs with competence, reliability, effectiveness, common sense and good luck;

7. He has created both here and abroad the notion that he is likely to remain on the national political stage;

8. He knew how to arouse and nourish an emotive populism, which was a dimension absent in nearly all of our political leaders and permits him to govern without clashing with leftist principles, at the same time that he is winning over the Portuguese Right;

9. He has managed his political and personal capital with an intelligent and productive demagoguery, paying close attention, for that purpose, to contacts with public opinion.

In short, he has accomplished his first historic mission well, leaving the second on the fringes, postponed or frozen.

He is the unquestioned leader of the Right and capable of gathering some votes at the center and the center-Left.

For this reason it is ridiculous for some of his self-appointed advisers to periodically attempt to invoke "Freitism," movements for new parties on the Right, threats to his leadership.

No one with the least sense can believe in these fantasies--in this intended new party that would be a disaster for the Right and for the nation, in these threats that would only subject to ridicule those who so much as attempt it...

What Has Clearly Failed

All is not roses in Dr Cavaco Silva's administration and it behooves us, in like manner, to enumerate the most salient negative points of this administration:

1. As he himself now acknowledges, the minority nature of the government, which is the manifest fruit of his own political aims, is an original sin whose costs are increasing with time and are a threat to the highly desired institutional stability;

2. Many sectors of the government have fallen short of the necessary minimum, living on the image, the prestige, the capability of the prime minister; for this reason, as we have said before, never have so many been so much in debt to a head of government;

3. One year later, what had been a worthwhile initial tactic may be converted into a serious defect: not to form a team, to consult with each one separately, to compare positions, to keep his distance, even within the core of the executive branch, due more to defensiveness and insecurity than for effectiveness and one-man rule;

4. He minimized the reform of government bureaucracy, which has led, little by little, to renewed insinuations or even accusations of unbridled clientelism, remunerated favoritism, corruption and incompetence at the administrative level, but which some day could reach the government level;

5. He is now suffering the "boomerang" of certain steps taken in administration of government media, a boomerang whose greatest effects are yet to arrive;

6. He gives little time to the PSD, where effective political leadership has been assumed courageously and rapidly by some (particularly the secretary general), but in which such effort is not sufficient to avoid some party carelessness (recall the case of Dr Soares' charisma in the PS and the price that was paid over the intermediate term);

7. He did not manage to introduce the promised structural reforms, or most of them at least, due partly to the very conditions resulting from the composition of parliament and the minority nature of the government;

8. One frequently has the feeling, exaggerated perhaps but impressive, that the government lacks a comprehensive, clear and coherent policy. It is a group of administrators with a charismatic leader, but without a definite underlying ideology.

In sum, we continue to assert that the balance is manifestly positive in regard to the mission of stabilizing governance in Portugal in the short run.

In regard to the second historic mission--that of bringing about the intended structural changes--the delay that has occurred is of such a nature as to concern us deeply, but let's give Dr Cavaco Silva the benefit of the doubt a little longer.

A brief period for the decisive test.

With constitutional revision 1 year away, before that moments so decisive as that regarding the new electoral code will make everything clear.

It will become clear whether Dr Cavaco Silva was a great short-term leader, who did not want or was not able to think about the nation beyond the horizon of his political aspirations, or whether he was more than this--that he was thinking intuitively or rationally about the future and contributing to stabilizing changes of a structural rather than just a short-term nature.

In the electoral system as well as in the economy. In the relationship between regional autonomy and national unity as well as in the governability of the nation. Even in his own party, beyond the personal unification guaranteed by his leadership.

From now on, the longer the postponement of structural changes the quicker they will be likely to erupt of their own accord, wastefully, separately, destroying Dr Cavaco Silva's major trump: his charismatic authority.

There is no charisma that can withstand two or three public depreciations on the part of the relevant political structures and involving the most admired and respected leader.

Will Dr Cavaco Silva be able to show himself to be, in addition to a successful short-term leader, one of those statesmen who mold the future, far beyond their own times?

This is the question that many have been answering in varied and contradictory ways:

--Some are against him and always will be, because they are of the opposition and it is part of their ideological and strategic role not to tolerate even their adversaries' kindnesses and successes--they are the "opposition by nature," to which we belong.

--Others are against him and always will be, because in him they censure autocracy, personal assertiveness, haughtiness, arrogance--they are the "opposition by complex or trauma," to which we do not belong.

--A third group are against him and always will be, because they disagreed with the initial strategy and will not forgive it, even in view of the substantial successes of the leader--they are the "opposition because of intransigence," to which we do not belong.

--A fourth group support him and always will, because their destiny is with all leaders of the PDS, because of preference or because of political gain--they are the "supporters through necessity," to which we do not belong.

--A fifth group comprises those who support him and always will, because they have a religious faith in the man and everything he does is brilliant--these are the "supporters because of paternalism," to which we do not belong.

--Sixth, there are those who support him and always will, because they believe piously in his strategy and the excellence of its results--they are the "supporters because of intransigence," to which we do not belong.

In the last article that we wrote before the legislative elections of October 1985 we urged voting for Dr Cavaco Silva, although we disagreed with a good part of the strategy that he advocated, because we felt that he deserved the historic opportunity to show that he was right.

One year has gone by. Dr Cavaco Silva showed that he was right in regard to the promise of being a charismatic governor and leader, stabilizing in the short run. Dr Cavaco Silva has not yet shown, although he may show, that beyond this he is right in regard to being a statesman who foresees the future and the indispensable structural changes, in independently outlasting the men who have held transitory power in Portugal.

And because this latter challenge is more difficult than the first, even those--such as us--who disagree with certain crucial strategic choices made in the past have the strict moral duty to support him, without subservience, but until the end.

The more complex his mission becomes in the future (and it is becoming increasingly problematical, as became clear at the frustrated press conference observing the first anniversary of the government), the more he deserves our support. Even the most rational of the opposition should ponder this, who see it as yielding, as a concession, as surrender.

In order for Dr Cavaco Silva to show that he is able to accomplish his second historic mission, all possible support must be given him--some essential differences will have to be minimized.

Even if that support is difficult for many of our best friends and fellow travelers to understand and adapt to.

Let us support Dr Cavaco Silva, more than we have thus far, because it is in the years of siege and trial that personal and political solidarity are revealed.

And he deserves our increasing solidarity.

8834

CSO: 3542/25

CONFLICT OF INTEREST SEEN IN OZAL CABINET SELECTION POLICY

Istanbul TERCUMAN in Turkish 7 Oct 86 p 11

["Your Decision" column by Mukbil Ozyoruk: "Ministers and Politics"]

[Text] Some of the basic ideas the prime minister advanced during his lengthy speech before the Motherland Party's Assembly Group on 30 September are issues that warrant scrupulous examination and cautionary advice. What was said with regard to activities and issues within the party do not concern us. However, we feel obligated to express our thoughts because some of the points that were raised were wholly related to "government, administration and the Constitution."

The prime minister said in his speech: "Ministers, too, are politicians. They have to be politicians. Now I am instructing them: Let our ministers also act as politicians." (TERCUMAN, 1 October 1986)

Frankly, these remarks are cause for despair. This means that "basic issues" which have persisted on our political agenda since the beginning of the democratic era in 1946 and which we would like to believe have been fully understood and resolved have still not been clarified and that relations among "politics, government and administration" are still not understood. Consequently, certain concepts and principles of democratic law must be clarified. In doing that, let us make use of two terms from the Anglo-American political literature.

One of them is the term "politics." It refers to "political rivalry (that is rivalry for power) and related activities." The other term is "policy," which refers to a technical, economic, legislative and administrative "course of action" that must be pursued to achieve the goals that have been set in "serving the public" or in any activity aimed at the public good. Since we do not have such terminological distinctions in Turkish, we refer to the former term as "day-to-day politics" and to the latter as "service politics." The former term means "party activity" even when used in the long-term sense.

The latter term is an expression of "program." It is obviously true that every minister is a "man of day-to-day politics, party activities and political rivalry." However, it is also evident that a minister is at the same time the "most senior administrator" in a public service or a collection

of public services; he is the "head of the administrative machinery" designed for the implementation of that service, or, in other words, he is the "most senior supervisor in the hierarchy."

The goal of keeping the government away from partisanism and "excluding" it from party activities and rivalries is an extremely important "constitutional principle" on which much work has been expended. The "neutrality of the government" has been one of most crucial issues of conflict in our history of democracy, even though it would not be mentioned under a heading of its own and would generally come under the heading of "eliminating partisanism."

If ministers turn to and venture into "politicking" in the sense of "politics"--indeed there was much complaint in the recent elections that they have never abandoned that practice completely--at the urging of the prime minister, by virtue of their positions as "the most senior administrative supervisors" they would raise such activities to the executive level by issuing orders to the organizations they head. As a result, "civil servants" would stop being civil servants and become "party officials" because they would have to implement instructions which are "no different from orders within the party." In that event, the "government"--whose "impartiality" is still the subject of intense work--would sink into "partisanism" up to its nose. That would lead to the full resumption of the two-generation-old "battle over government impartiality and equality in public service."

Indeed, before the ink on the recent by-elections was dry the press reported extensively that the government stopped some public services and projects it had begun before the elections in districts where it was defeated. For example, it is reported that in Zonguldak installed telephones are not connected to the switchboard and that road construction has stopped in Manisa.

Reopening the door to a battle over "democratic law" is definitely not in the public interest.

9588

CS0: 3554/58

TKP VIEWS ON ELECTION PUBLISHED

Istanbul TERCUMAN in Turkish 7 Oct 86 p 12

[Text] Bonn--A communique published in the FRG by the Central Committee of the illegal Turkish Communist Party [TKP] says that the recent by-elections have proven the Motherland Party [MP] to be a minority government. Stating that "the struggle has just begun," the communique calls on legal and illegal organizations to organize acts of mass resistance in work places and Anatolia.

The communique, which appeared in TURKIYE POSTASI, a biweekly bulletin that the TKP began publishing at the beginning of September, says that "in by-elections on 28 September, the anti-democratic regime in Turkey suffered a heavy defeat" and that "the MP was defeated." The communique adds:

"Despite all pressures and threats, most of the people voted for parties which defend democracy. It was proven that the MP is a minority government. As a result, a new situation emerged in the country. The possibilities and the environment for democratic struggle were enhanced. The struggle waged by the TKP together with other leftist organizations, forces and intellectuals won the support of broad popular masses."

Democratic Forces

Charging that the policies of bans, price hikes and oppression of the working class have thus been declared bankrupt, the communique says: "The terror and demagogy of the last 6 years could not suppress the people's yearning for democracy." The communique continues:

"The democratic forces scored a major success in these by-elections. The opposition has attained its goals. Even so, however, the dictatorial regime persists in its status.

"The Ozal government will not concede the defeat it has suffered. On the contrary, like all other reactionary governments which have been shaken, it will try to attain its goals more irresponsibly and will use all the means at its disposal to hold on to its position until the 1988 general elections. It is the duty of the democratic forces to bring down the MP government.

"Consequently, all legal forces and those which have been forced into illegality must act jointly against the Ozal government as they did in the by-elections.

"No party is strong enough to bring an end to this dictatorial regime and to restore democracy on its own.

"The victory won at the by-elections must not dampen the vigor of our struggle. On the contrary, this must be only the beginning of our struggle. The MP government must be brought down, and after achieving success on this issue, mass resistance movements must be organized against any anti-democratic steps."

Support for Opposition

The communique of the TKP Central Committee states in its concluding section that "the U.S. attempt to deploy new chemical and nuclear weapons in Turkey, the privatization of the State Economic Enterprises and the amendment of the Turkish Penal Code" will be opposed and adds: "TKP supports the legal opposition parties' demands for early elections. TKP will work for the unity of all democratic forces opposed to the Evren-Ozal regime. All communists will support every effort of Turk-Is [Turkish Confederation of Labor] against the government. All legal and illegal organizations must propagate this policy to broad popular masses and must organize mass resistance movements against the government in Anatolia and work places."

9588

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'ANATOLIAN LEFT' SEEN AS POTENT POLITICAL FORCE

Istanbul CUMHURİYET in Turkish 7 Oct 86 p 2

["Window" column by İlhan Selçuk: "Anatolian Leftism"]

[Text] What does "left" mean? [It may mean] republican leftism against the monarch or the king, nationalist leftism against fundamentalism, scientific leftism against dogmatism, secular leftism against the religious state, socialistic leftism against capitalism, social democratic leftism against conservatism, democratic leftism against fascism, pro-planning leftism against free-market economics, nationalist leftism against racism, free-competition leftism against private monopolism, pro-national-capital leftism against foreign-dependent economics, materialist leftism against idealism, pro-women's rights leftism against male domination, pro-social-justice-state leftism against the liberal state, progressive leftism against reactionarism, reformist leftism against the status quo, revolutionary leftism against checks and balances and pro-independence leftism against sattelitism.

The relationship between the right and the left and the left and the further left is highly complex in a changing, developing and evolving world. When the internal disputes of the left are abstracted from social realities and turn into mental gymnastics, then they lead to wearisome, abrasive and tiresome intellectual quarrels.

The soundest approach in this slippery and confusing atmosphere is to act in accordance with the demands of the social reality of the time. If that is not done, individualism will dominate. In the individualism of the argument over "who is the most ardent revolutionary," "who is the purest democrat" and "who is the best social democrat," people may quarrel with each other, tempers may rise, angers may be fanned, mutual incriminations may intensify, rationalism and sensibility may be ignored, and leftists may be unable to do anything except fighting each other.

The extent of the left's experience in the Turkey of 1980's is unparalleled in the history of our multiparty system. If the leftist votes, which never fell below 30 percent of the total vote even under the rightist military regime, are not divided and parcelled out in every direction, a leftist party may emerge the winner of the 1988 elections and may become the government.

This fact must be clearly explained to the popular masses which form the electoral base of the left. But who are the ones who will do the explaining? Who is going to perform the function of incorporating the people's local demands into a program by integrating them across the country while keeping the realities of the country in mind and matching the proportions of this program with the realities of the outside world?

The local leaders of the Anatolian left are well known in all of our cities, towns and villages. These local leaders did not drop out of the sky in a single day; they were forged, hardened and tempered between the hammer and the anvil of a lengthy struggle. These leaders, with their feet firmly implanted on Anatolia's soil, are Turkey's true hope. These are people who know how to defend and sustain leftism, democracy and revolutionarism in the concrete conditions of their environment.

Continuous contact with these leaders is essential to determine what the people do and do not want and what can and cannot be done in Turkey's present and near future. Consultations and meetings, debates, overhauling the organization's program and bylaws from top to bottom and determining the scope and the limits of the leftism the people will endorse in the Turkey of the 1980's can have meaning and significance and can largely eliminate unnecessary arguments only if they are given concrete form through collaboration with local leaders who have grown and taken root in Anatolia.

A leftist party is not a flame that glows only at election time; the fire must be kept alive continuously. The Social Democratic Populist Party is the leftist party with the best chance of winning the 1988 general elections--only if work begins now.

To attain success it is essential to comb Anatolia tirelessly, to establish continuous contacts among local organizations, to resolve local disputes in various provinces locally (not from the headquarters or the top), to rid the organization from abstract arguments and to steer it toward concrete work in even the smallest units of each province, to dispel the widespread sense of oblivion among the local organizations in Anatolia by sustaining a lively exchange of views and to create organizational dynamism.

Anatolian leftism has turned into a major force which can change the country's life, which can set the course of the government and which can end the domination of the holding companies. Unfortunately, this force is concealing its expectations in an inertial mass of experience gained over a long period of time. In order to breathe life into this force and to create an historical popular movement, the center must stop engaging in superficial day-to-day politics and must begin to harvest Anatolia.

9588
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ROLE IN ARAB WORLD, IRAQ-IRAN WAR EXAMINED

Ankara YANKI in Turkish 7-13 Jul pp 34-36

[Text] Lutfi Akdogan...The name is quite familiar to the public, first as a journalist then a politician. Akdogan's major claim to recognition is that he has been able to utilize his profession in such a manner as to make an impact over the 'fate' of his compatriots. And that is rarely done.

Born in 30 in Antakya, chance has obviously played a major role in where he is today. One could say that his first lucky break was being born in Antakya. In the 50s, when he started as a journalist, and in the years that followed Akdogan became a hot property in a short time as a young journalist speaking Arabic. At the time he did not know even the rudiments of a correspondent's job. But he spoke Arabic. In those years not much was happening in Turkey's relations with Arab countries. Therefore, events in the Arab world was not avidly followed in Turkey.

His first piece concerning Arab countries was published in 53, and was noticed by the then president, Celal Bayar. But it was during the 56 Suez crisis that Akdogan's career took off. From then on he was cultivating the close relations established during the Suez war, and was busy making his mark as a journalist who brought a warm perspective to relations between countries. During the 67 and 73 Israeli-Arab wars, Akdogan was covering the battlefield as a war correspondent. The Turkish news reader saw Akdogan in Kashmir or India and Pakistan one day, covering the Kashmir crisis, and in Yemen the next, covering the civil war between monarchists and republicans.

During the coups and revolutions in Iraq, Syria and Algeria, Akdogan was never far from the scene of the action. He subsequently got to know nearly every monarch, head of state, prime minister in the Middle East, establishing personal relations with them far beyond the norms of ordinary protocol.

Engaged in these initiatives since the 50s, in 63-64 we find Akdogan commissioned by Ismet Inonu government to further relations with Middle Eastern countries, and to establish high-level contacts. It was during this period that messages started going to and fro between Turkish and Arab government officials.

Entering Parliament in 65 as Justice Party Konya deputy, Akdogan continued his journalism. His status as a parliamentarian-journalist improved his chances of making an impact on the course of events, and bringing his background as a journalist to bear upon policies. Changes got under way in Turkey's one-sidedly Western-oriented foreign policy. Turkey was gradually opening to the Islamic world. Akdogan was playing an important part in all this, with the increased frequency of friendly messages between the then prime minister, Suleyman Demirel, and heads of Arab states and governments.

Leaders

Egyptian leader Nasser, Anwar Sadat, King Faisal, King Saud, the amirs of Kuwait, Bahrain, Qatar, Abu Dhabi, Libyan leader Gaddafi, Marshal Sallah are among leaders with whom Akdogan has established friendship, not to mention the leaders of Islamic countries like Somalia, Tunisia, Algeria, Syria, Lebanon, Iraq and Pakistan.

For Akdogan the last three decades have been full of events, recollections, information and documentation which all add up to an extraordinary archive. He is credited with having a rare knowledge of Arab countries as well as owning an immensely valuable collection of documents and photographs. His private archives are estimated to be worth around \$5 million.

[Interview with Lutfi Akdogan by YANKI correspondent; date and place not specified]

[Text] It seems that the 'steaming cauldron' called the Middle East will continue steaming quite a while longer. It looks as if countries of the region are resigned to living with this situation. In a certain sense it seems beyond the capabilities of any one country to bring lasting peace and tranquility to the region. The Iran-Iraq war in particular is slowly consuming not only the two belligerents but all Islamic countries. Concerning this apparently interminable war between Turkey's two neighbors, we sought the views of journalist-politician Lutfi Akdogan who has spent "a good part of a quarter century developing friendly relations in these countries."

Oppressive War

[Question] As a veteran journalist your involvement with Middle Eastern countries is well-known. Knowledgeable as you are about the region and the governments how do you view the Iran-Iraq war?

[Answer] This is a very important matter. I have never seen such a meaningless and unnecessary war in which thousands of young men are dying every day. It is not possible to approve of such a war. Rekindling historical conflicts that involve denomination and religion, or persisting in historical feuds is not compatible with contemporary notions of humanity and civilization. It is particularly sad, from the viewpoint of Islamic history, that two Islamic countries are confronting each other. The start and continuation of the war, its conduct and the horrors it has caused are not compatible with Islam at all. The end result of this war is only blood and destruction. Islam preaches not blood but peace. In this war there won't be winners or losers. What will happen is that both countries will lose their youth, their economy, and installations built with such great effort. What can all this mean? What can be gained by the destruction of a country? The horrible thing about it is that though both sides are quite aware of these things they are unable to stop the war.

Is it conceivable that Iran might occupy Iraq, and then go further down the Gulf invading Saudi Arabia? To pursue such dreams in the present century can only mean that one is losing one's senses. Would today's political, economic and military strategy allow such a thing? Of course not.

New Balances of Power

[Question] If so, what is to become of the Middle East?

[Answer] It is not easy to tell where the Middle East is going. But one should not lose sight of the fact that when countries or regions weaken and lose their strength, a vacuum of authority is created enabling other powers to penetrate these regions more easily. If that has not happened yet it does not mean it won't happen. This is a law of nature, which is known to abhor a vacuum. We cannot continue to operate under the assumption that the war will confine its damage to Iran and Iraq. This war threatens the whole region and even Turkey. It concerns the Middle East, the Arab world, and the whole Islamic world. As such, it cannot simply be viewed as a local war between two countries. Though it may appear that way consequences might prove otherwise. Such misconceptions have a way of being

followed by regional disasters. The map of the Middle East might well undergo a change and certain powers might seek to fill the vacuum referred to earlier, laying claim to certain rights by might. With situations shifting so quickly we may all find ourselves with blood in our hands before we know it.

Who Will Stop It?

[Question] There are many initiatives for stopping this war, none of them successful. Who do you think will be able to stop this war?

[Answer] Yes, who? An important question... It is quite certain that neither America nor Soviet Russia have seriously tried to stop this war. It is a sad commentary that they have acted as spectators. Both countries have sold arms to the region worth \$50 billion each since the start of the war. In the meantime, money fleeing the region is kept at European and American banks. Oil prices, as we know, have been rapidly brought down, and the Islamic world which ought to have been a power of sorts has been rendered impotent. And, to top it all, two Islamic countries are at war with each other. Now, we may take a long, hard look at this picture and wonder: So long as we have such an America, Europe and Russia, who else is going to say 'stop' to the war? Meanwhile, it is quite apparent that the peace committees formed among Islamic and Arab countries have not produced anything tangible. In these circumstances who will be able to put an end to the war?

If we look at the flow of history we would see that Turkey is entrusted with a heavy responsibility. But I believe that the Turkish government and the Turkish diplomatic establishment have abdicated this responsibility, committing errors of historical magnitude. Our use of 'legitimate pressures' with a view to ending the war would be beneficial all round -- for the two countries, for the region, for the Islamic world, and for Turkey itself. If we miss this historic opportunity, future generations, even after many centuries, will sadly observe how unaware of the situation we were, and without any notion of our true interests.

Lack of Historical Awareness

Turkey has a historical presence and responsibility. But since the founding of the republic, governments and the Foreign Affairs Ministry have chosen to ignore history. They have neglected the fulfillment of our historical duties. If we stop and think we would realize that what is at issue today, or what is being slowly liquidated is Turkish history. Though it may appear that way, it is erroneous to assume that the Lausanne

Treaty has liquidated the Empire with the stroke of a pen. Today's conflicts among Palestinians, Israelis and Arabs, the Turco-Greek, Turco-Bulgarian, and Turco-Syrian disputes, and even th Iraq-Iran war are nothing but installments in the liquidation saga of our empire. Here what is at issue is our own sense of self, our identity, and the right to have our say. This does not mean that lets turn our armies toward Jerusalem and liberate it from the Israelis. Or that, lets organize military expeditions to the East, like Selim I or Murat IV, dictating the terms of another Qasr-i Shirin agreement (1639) and redraw the frontier map of the area. We are not saying any of that. But we are obliged to reactivate our right to have our say in these matters, and to invoke our historical rights within the framework of National Pact borders, while maintaining our commitment to the principle of 'peace at home, peace abroad'. It was the Turks who prevented the hegemony of one denomination over another in the region, or the complete obliteration of a denomination. The Arab world knows this well and is fully conscious of the fact.

If Turkey Wants

[Question] Well, what do you say should be done?

[Answer] First let me say that if the Iraq-Iran war cannot be resolved with a just, and for both sides, honorable peace agreement within a short period of time (one doesn't need to be clairvoyant to predict the time period, lets say within one year) this would mean not only the collapse of both countries but also beginnings of disintegration for the Islamic world. From then on it would be sheer fantasy to speak of Middle Eastern solidarity, or the establishment of a power bloc among Turkey, Iran and Arab countries, or an Islamic world in general.

The infidel has struggled for 500 years to bring down the Ottoman Empire, and thus Islamic unity. Now such a unity, which had been slowly taking root in the region, will be brought down by the Iraq-Iran war (thus relieving the infidel of the effort.) Today, all of Europe, America, Soviet Russia and Israel are busy collecting booty out of this war. And we are still unable to come to our senses. It's a pity...

It is for this reason that I say we have duties. If our neighbors are not fully aware of all that, we ought to employ the leverage at our disposal to goad them in the right direction. We cannot view the whole scene from the viewpoint of a "merchant government".

The thousand-year-old Turkish state which has been reduced, due to historical errors, from a huge empire to the present National

Pact frontiers, cannot afford to make further mistakes. We should ensure that the historical perspectives of those bearing responsibility, the president of the republic and the government of Turgut Ozal, should not disturb our consciences in the future. If there is a duty of conscience it should be carried out.

[Question] Are you saying that if it so desires Turkey could end the war?

[Answer] Yes, sir.

12466

CSO: 3554/27

ASSEMBLY PRESIDENCY SUBMITS LAND OWNERSHIP LAW AMENDMENTS

Draft Bill on Mixed-Proprietorship Company Properties

Nicosia KUZUY KIBRIS TURK CUMHURİYETİ RESMİ GAZETE in Turkish 5 Jul 86 pp 137-141

[Same definition changes, expansions proposed also for Companies law]

[Text] In compliance with Article 83 of the bylaws of the Assembly of the Turkish Republic of Northern Cyprus [TRNC], the Presidency of the Assembly submits to the attention of the people, through publication in the Official Gazette, the Draft (Amendment) Law (No. 106/1/86) on Immovable Property Belonging to Mixed-Proprietorship Companies (Supervision and Administration) and declares that individuals and corporations may write their views and proposals directly related to the contents of the draft law to the Presidency of Assembly within 20 days after the draft law is published in the Official Gazette.

Rationale

The (Amendment) Law on Immovable Property Belonging to Mixed-Proprietorship Companies (Supervision and Administration) was prepared in view of the inadequacy of the Law on Immovable Property Belonging to Mixed-Proprietorship Companies to alleviate and overcome the difficulties encountered in implementations with regard to mixed-proprietorship companies and in order to overcome the difficulties that have emerged in this implementation.

Rationales for Articles

1. Article 1 of the draft law identifies it with a "short name."
2. (1) The term "ownership" in paragraphs (1) and (5) of Article 2 of the draft law has been replaced by the term "proprietorship" because the TRNC Constitution stipulates proprietorship.
- (2) Paragraphs (2), (3) and (4) of Article 2 of the draft law replace the definitions of the terms "mixed-proprietorship company," "third country national," "foreign national" and "foreigner" with new definitions in order to eliminate and to clarify uncertainties in the original law and steps to be implemented in accordance with the original law.

(3) The definition of the term "ownership" in the original law has been dropped because the Constitution of the TRNC stipulates proprietorship and all references to "ownership" in the original law have been replaced with "proprietorship."

3. Article 3 of the draft law appends Article 2A to the original law and regulates the treatment of companies which hold invalid title deeds to immovable property in the TRNC but which are not registered with the TRNC Registrar of Companies in accordance with the Companies Law as foreign companies.

4. Article 4 of the draft law replaces Article 3 of the original law with a new article in order to apply the provisions of the Housing, Land Distribution and Equivalent Property Law to the Law on Immovable Property Belonging to Mixed-Proprietorship Companies. In addition, the restriction in the original law barring the application of the Housing, Land Distribution and Equivalent Property Law to these properties has been rescinded in order to overcome difficulties encountered in implementations with regard to immovable property belonging to mixed-proprietorship companies.

5. (1) The terms "ownership" and "owning" in paragraphs (1), (2), (3), (4), (5), (6), (7) and (8) of Article 5 of the draft law and Article 4 of the original law have been dropped and replaced with the term "proprietorship" since the Constitution stipulates proprietorship.

(2) Paragraph (9) of the draft law appends a new Paragraph (7) to follow Paragraph (6) of Article 4 of the original law with purpose of empowering the Council of Ministers to liquidate immovable properties belonging to mixed-proprietorship companies whenever it deems necessary and to distribute the proceeds to shareholders in proportion to their stock in order to broaden the scope of application of the law by expanding the "Supervision and Administration of Immovable Property" clause of the original law.

6. Article 6 of the draft law regulates the time this law becomes effective.

Draft (Amendment) Law on Immovable Property Belonging to Mixed-Proprietorship Companies (Supervision and Administration)

The Assembly of the TRNC enacts the following law:

Short Name

1. This law is called the (Amendment) Law on Immovable Property Belonging to Mixed-Proprietorship Companies (Supervision and Administration) and must be read in conjunction with the Law on Immovable Property Belonging to Mixed-Proprietorship Companies (Supervision and Administration) which is referred to as the "original law" below.

Amendment of Article 2 of Original Law

2. Article 2 of the original law is amended as follows:

(1) The term "ownership" in the third line of the definition of the term "director" in Article 2 is replaced by the term "proprietorship."

(2) The definition of the term "mixed-proprietorship company" in Article 2 is replaced with the following definition:

"The term 'mixed-proprietorship company' refers to companies in which foreigners and third country nationals are shareholders and which are registered with the TRNC Registrar of Companies and also applies to companies in which such companies are shareholders and which are registered with the TRNC Registrar of Companies."

(3) The definition of the term "third country national" in Article 2 is replaced with the following definition:

"The term 'third country national' refers to foreign individuals and foreigners who are not citizens of the TRNC or members of the Turkish Cypriot community or of Turkish Cypriot ancestry and applies to companies, partnerships, firms and other corporations and institutions whose partners or shareholders are exclusively made up of such individuals."

(4) The definition of the term "foreign individual" or "foreigner" in Article 2 is replaced with the following definition:

"For the purposes of this law, the term 'foreign individual' or 'foreigner' refers to persons who are not citizens of the TRNC or members of the Turkish Cypriot community and who are:

"(i) Citizens of the Republic of Cyprus living outside the borders of the TRNC, members of the Greek Cypriot community and persons of Cypriot ancestry;

"(ii) Citizens of Greece and persons of Greek ancestry;

"(iii) Companies, partnerships, firms and other corporations and institutions which are established by individuals described in sections (i) and (ii) or whose partners or shareholders are exclusively made up of such individuals."

"However, by a decree to be published in the Official Gazette, the Council of Ministers may declare the nationals of another country or another community or group of individuals it deems appropriate as 'foreign individuals' or 'foreigners' or may exclude foreign individuals or foreigners from the scope of the definition of these terms."

(5) The term "ownership" in the third line of the definition of the term "administrator" in Article 2 is replaced with the term "proprietorship."

(6) The definition of the term "ownership" in Article 2 is deleted.

Addition of New Article 2A to the Original Law

3. The original law is amended with the addition of Article 2A, to follow Article 2, as follows:

Treatment of Unregistered Companies as Foreigners (Section 113)

"2A. Companies which claim ownership to immovable property in the TRNC through title deeds which are invalidated by the Law Regulating Immovable Property Sale and Transfer Transactions Concluded During the Period 1963-1974 and which are not registered with the TRNC Registrar of Companies as required by the Companies Law will be considered foreign companies, regardless of their actual status, and will be treated accordingly."

Amendment of Article 3 of the Original Law

4. Article 3 of the original law is replaced with the following article:

"The provisions of the Housing, Land Distribution and Equivalent Property Law will be applicable to the Law on Immovable Property Belonging to Mixed-Proprietorship Companies provided that they comply with the provisions of this law."

Amendment of Article 4 of the Original Law

5. Article 4 of the original law is amended as follows:

(1) The term "ownership" in the 5th line of Section (a) of Paragraph (1) of Article 4 is replaced with the term "proprietorship."

(2) The term "ownership" in the 6th line of Section (a) of Paragraph (1) of Article 4 is replaced with the term "proprietorship."

(3) The term "ownership" in the 1st line of Section (b) of Paragraph (1) of Article 4 is replaced with the term "proprietorship."

(4) (a) The term "ownership" in the 2d and 3d lines of Section (c) of Paragraph (1) of Article 4 is replaced with the term "proprietorship."

(b) The term "ownership" in the 8th line of Section (c) of Paragraph (1) of Article 4 is replaced with the term "proprietorship."

(5) The term "ownership" in the 1st line of Section (d) of Paragraph (1) of Article 4 is replaced with the term "proprietorship."

(6) (a) The term "ownership" in the 5th line of Section (a) of Paragraph (2) of Article 4 is replaced with the term "proprietorship."

(b) The term "ownership" in the 15th line of Section (a) of Paragraph (2) of Article 4 is replaced with the term "proprietorship."

(c) The term "ownership" in the 20th line of Section (a) of Paragraph (2) of Article 4 is replaced with the term "proprietorship."

(d) The term "ownership" in the 27th line of Section (a) of Paragraph (2) of Article 4 is replaced with the term "proprietorship."

(7) The term "ownership" in the 7th line of Paragraph (5) of Article 4 is replaced with the term "proprietorship."

(8) The phrase "remains in its ownership" in the 6th line of Paragraph (6) of Article 4 is replaced with the phrase "is considered its property and is recorded as revenue to the government budget."

(9) The following new Paragraph (7) is added immediately after Paragraph (6):

"(7) Regardless of the provisions of this law, the Council of Ministers may, whenever it deems necessary, decide to liquidate a mixed-proprietorship company, irrespective of the makeup of the outstanding shares of the company, with the purpose of distributing immovable property belonging to the company to its shareholders in proportion to their stock ownership.

"In the event it is decided to liquidate a mixed-proprietorship company in this manner, immovable property belonging to the company may be divided among its shareholders in proportion to their stock ownership, or, subject to the decision of the Council of Ministers, the State may buy stock owned by third country nationals or sell stock in its proprietorship to third country national shareholders."

Date of Effectiveness

6. This law becomes effective on the date it is published in the Official Gazette.

Law Regulating Property Transfers in 1963-1974

Nicosia KUZUY KIBRIS TURK CUMHURİYETİ RESMİ GAZETE in Turkish 5 Jul 86 pp 141-144

[Same definition changes, expansions proposed also for Companies law]

[Text] In compliance with Article 83 of the bylaws of the Assembly of the Turkish Republic of Northern Cyprus [TRNC], the Presidency of the Assembly submits to the attention of the people, through publication in the Official Gazette, the Draft Law (No. 108/1/86) Regulating Immovable Property Sale and Transfer Transactions Concluded During the Period 1963-1974 and declares that individuals or corporations may write their views and proposals directly related to the contents of the draft law to the Presidency of Assembly within 20 days after the draft law is published in the Official Gazette.

Rationale

The Law Regulating Immovable Property Sale and Transfer Transactions Concluded During the Period 1963-1974 has been prepared to clarify the issue of which immovable property sale and transfer transactions concluded during the period 1963-1974 will be considered valid by the competent authorities of the TRNC.

Rationales for Articles

1. Article 1 of the draft law identifies the law with a "short name."
2. Article 2 of the draft law is a "definition" article and defines the terms "State," "third country national," "foreign individual or foreigner" and "citizen."
3. Article 3 of the draft law states the purpose of the law.
4. Article 4 of the draft law enumerates which of the transactions concluded under the auspices of the Greek Cypriot Administration in South Cyprus and its officials between 21 December 1963 and 20 July 1974 will be considered valid by the competent authorities of the TRNC and states that all transactions other than those considered valid will be considered invalid.
5. Article 5 of the draft law states that the provisions of the Housing, Land Distribution and Equivalent Property Law will be applied to the immovable property owned through title deeds by companies in which third country nationals are shareholders when these companies apply to the TRNC Registrar of Companies to register themselves as required by current legislation or when their registration application is rejected. The purpose of the article is to make the implementation of the Law on Immovable Property Belonging to Mixed-Proprietorship Companies (Supervision and Administration) and the Companies Law more uniform.
6. Article 6 of the draft law regulates the power to execute the law and to enact bylaws.
7. Article 7 of the draft law specifies the legislation that will be rescinded by this law.
8. Article 8 of the draft law regulates the time this law becomes effective.

25 June 1986

Draft Law Regulating Immovable Property Sale and Transfer Transactions Concluded During the Period 1963-1974

The Assembly of the TRNC enacts the following law:

Short Name

1. This law is called the Law Regulating Immovable Property Sale and Transfer Transactions Concluded During the Period 1963-1974.

Definitions

2. Unless otherwise specified by the text of this law, for the purposes of this law:

The term "State" refers to the TRNC;

The term "third country national" refers to foreign individuals or foreigners or persons who are not citizens of the TRNC or members of the Turkish Cypriot community or of Turkish Cypriot ancestry and companies, partnerships, firms or other corporations and organizations whose partners or shareholders are exclusively made up of such individuals.

For the purposes of this law, the terms "foreign individual" or "foreigner" refer to persons who are not citizens of the TRNC or members of the Turkish Cypriot community and who are:

(i) Citizens of the Republic of Cyprus living outside the borders of the TRNC, members of the Greek Cypriot community and persons of Cypriot ancestry;

(ii) Citizens of Greece and persons of Greek ancestry;

(iii) Companies, partnerships, firms and other corporations and institutions which are established by individuals described in sections (i) and (ii) or whose partners or shareholders are exclusively made up of such individuals.

However, by a decree to be published in the Official Gazette, the Council of Ministers may declare the nationals of another country or another community or group of individuals it deems appropriate as "foreign individuals" or "foreigners" or may exclude foreign individuals or foreigners from the scope of the definition of these terms.

The term "citizen" refers to the meaning given to it by the TRNC Constitution.

Purpose

3. The purpose of this law is to validate some of the transactions concluded between 21 December 1963 and 20 July 1974 under the auspices of the Greek Cypriot Administration--which has lost its legitimacy and which has been declared illegitimate by the introductory section and other provisions of the TRNC Constitution--and its officials and to count them as transactions concluded under the auspices of the competent authorities of the TRNC .

Transactions Counted as Valid

4. (1) The following transactions concluded under the auspices of the Greek Cypriot Administration of South Cyprus and its officials between 21 December 1963 and 20 July 1974 are considered valid and as if they concluded under the auspices of the competent authorities of the TRNC:

(a) All transactions and records related to the exchange of immovable property among the Turkish citizens of the TRNC.

(b) All title deed registration transactions related to the transfer and mortgaging of immovable property and other similar commitments by foreign individuals or third country nationals to the citizens of the TRNC.

(c) All transactions related to the exchange of immovable property among foreigners and third country nationals or among third country nationals themselves.

(d) All transactions transferring immovable property to foreign individuals or foreigners and third country nationals after obtaining the proper permissions from the competent authorities in accordance with legislation barring the sale of immovable property by citizens of the TRNC to persons who do not belong to the Turkish Cypriot community.

(e) Transactions related to the transfer of immovable property by individuals of non-Turkish ancestry who are currently residents of the TRNC. However, in the event persons whose transactions are affected by Section (e) of Paragraph (1) leave the TRNC before or after this law becomes effective and/or are considered as having left the TRNC and/or pass away and are not survived by spouses or heirs of up to second degree who are residents of the TRNC, their properties are considered abandoned properties and their proprietorship passes to the State.

(2) All transactions and records other than the transactions and records mentioned in Paragraph (1) are not considered valid in the TRNC, and no legal claims can be made on the basis of these transactions and records.

Failure to Apply for Registration

5. In the event companies in which third country nationals are shareholders do not apply to register with the TRNC Registrar of Companies as required by current legislation and/or their application to register is rejected, any immovable property shown as belonging to such companies by title deed records will be considered abandoned property, and such immovable properties will be subject to the provisions of the Housing, Land Distribution and Equivalent Property Law.

Authority to Execute the Law and to Enact Bylaws

6. This law will be executed by the Council of Ministers which is empowered to enact bylaws on issues regulated by this law in order to facilitate a better implementation of the law.

Rescinded Laws

7. As soon as this law goes into effect after being published in the Official Gazette, the provisions of Article 54 of Law No. 11/1978 on "Immovable Property (Transfer and Mortgage)" will be implemented as interpreted in accordance with the provisions of this law, and to the extent that they contravene provisions of this law they will be rescinded effective 7 May 1985.

Date of Effectiveness

8. This law becomes effective on the date it is published in the Official Gazette. However, transactions considered valid by this law are counted as being effective and legally binding from the date they were concluded.

LEYSSEN ON BUDGET DEFICIT, SUBSIDIES, UNEMPLOYMENT

Brussels DE STANDAARD in Dutch 17 Oct 86 p 3

[Unattributed article: "Unemployment Is a Problem of Training: Leysen--Belgium's Original Sin (Previous Economic Mismanagement) Will Keep the Economy Mortgaged for Years to Come"]

[Text] Brussels--The sixth Martens government seems to be on the right track to reduce the government deficit. Next year will show whether or not the operation is succeeding, but even then the deficit will still amount to 8 percent of GNP, and that is still too high. Cuts will have to be made in subsidies to industry and in social security. The enormous government debt that has been built up in the past will haunt us like the Original Sin for years to come. Our society is changing from one that stresses a variety of government subsidies to a society that places more responsibility on the individual. That is what Andre Leysen, chairman of the Union of Belgian Employers (Berbond van Belgische Ondernemingen--VBO), said during an interview with this newspaper.

[Leysen] From a social point of view, we are experiencing a very difficult transitional period. The past has been characterized by a deep belief in subsidies. This led to the present exorbitant, paralyzing, and unfair pressure on income. Now we are moving toward a time of greater dependence on our own resources, a time of less government involvement, of tax reduction, and of greater individual responsibility. My ambition as VBO chairman was to reach overall agreements supporting that very difficult transition process. And that we managed to do.

[Question] One year ago you said that Martens had not covered three-quarters of the road through the tunnel toward deficit reduction, but 5 percent at best. Has your opinion changed?

[Answer] The sixth Martens government is determined to lower the government deficit to 8 percent of GNP by the end of 1987. Government policy is headed in that direction. We'll see in a year and a half whether or not it will succeed. For the time being, I have confidence that it will. Uncontrolled growth has been stopped: The fifth Martens government did this through tax increases. The sixth Martens government is doing it without taxes.

But I am convinced that even afterward a great effort will still have to be made. The large deficit we have accumulated is the Original Sin that we will have to carry around with us for many years. It will take a good number of years before we will experience the real effects of this economic recovery policy.

The goal of 8 percent was, however, formulated at a time when there was great expectation of 4 percent economic growth, with inflation. Then inflation went down. That was good news, but it created a problem for the deficit. Now a growth rate of only 3 percent is expected, with inflation. It is as if a sudden strong gust of wind came blowing through the tunnel. The Belgian deficit is larger than its GNP, and, moreover, is growing faster than GNP. Further cuts are therefore necessary. And that will become more difficult, because cuts have been made in a lot of things already. This is the law of increasing resistance.

Where can cuts still be made? In subsidies to industry--to government industries and the national sectors--and cuts can be made in social security.

Subsidies

The government distributes 375 billion every year in subsidies to industry. Two-thirds of these subsidies go to government industries. Part of the remaining third goes to the national sectors. Can that be maintained? Every Flemish working citizen pays 10,000 francs per year in subsidies to Flemish industries in the national sector. The textile industry subsidy alone costs us 16 billion francs per year.

Does it make sense to keep up our shipbuilding? Manpower at our shipyards costs 1,100 francs per hour. In Korea, where there is an almost equal level of productivity, manpower costs 100 francs per hour. A ship built in Korea costs half as much as one built at a Belgian shipyard. If the yearly turnover of this sector comes to 5 billion, then we don't make a profit, but rather we suffer a 2.5 billion loss. Can that be sustained?

Every year the community contributes 80 billion francs to the Belgian railroad system. That means that every working Belgian--he is the one who pays the taxes--contributes 25,000 francs per year in order to keep the trains running as they do today.

Management and the maintenance of public services and utilities are an especially big problem. Not a single employer trusts the postal service with an international delivery, should that delivery definitely have to be at its destination two days later. That role has been taken over by private organizations.

The management of government industries must be fundamentally changed. They must be run like a private organization--keeping account of their public goals--and in their personnel policy, priority must be given to the most capable, not to the most loyal.

The problem is that the public industries trade unions fulfill three functions: They not only protect personnel interests, which is their actual task, but, moreover, they exercise supervision over the management of services and they are responsible for hiring. That is a responsibility which they should not have.

Ethics

I read in the Dillemans report that, "Social security has become a mass of chaos...regulated out of all proportion to the smallest detail...overgrown, not clear...a maze to the citizens.... The system lacks logic and thorough judicial thought.... It doesn't give legal security." Note: I am not the one who says that. You can read it in the report by the Royal Commission on Social Security Reform.

Social security shouldn't be there for the sharpies, as it is now in a way, but it must be there for the needy. Social security should also strive for greater responsibility on the part of the people. A lot can still be trimmed in social security. It will have to be trimmed, because the system has to remain on a sound financial base. I'm taking just one point: allowing new medical breakthroughs to evolve without calculating the cost creates an unaffordable debt. That will force us to come to terms with particularly delicate ethical questions. These discussions will be sharper in tone in Belgium than anywhere else, because of our previous economic mismanagement.

Training

Another sin, according to Leysen, is seeing unemployment as a global problem. Only 8.7 percent of Flemish men are unemployed, and 18.7 percent of the women. In Kortrijk barely 5 percent of the men are unemployed. In Maaseik, however, 46 percent of the female workforce is unemployed.

Unemployment is first and foremost a matter of training. I often talk with principals of technical schools from Limburg, and from the Westhoek. They all tell me that their graduates find work almost immediately. According to them, the problem is that many youngsters hesitate in choosing technical training. I often speak with managers. They all complain about a shortage of trained workers. That is the core of the problem. Half a year ago I called for organizing a roundtable meeting of educators, employers, and employees. That was brushed off. I now extend that invitation again. The training of future employees is a task not only for educators, but it is also a responsibility of industry.

Training and education are the means whereby immigrant children can take their place as full members of our society. If the birth rate for the Belgians remains at the level where it is now, these immigrant children will be the ones paying for our pensions.

Europe

[Question] In May 1987 your term as chairman of the VBO comes to an end.

[Answer] As VBO chairman it was my ambition to reach agreements among all sides to ease the difficult change from a society that put all its hope in subsidies to a society that again stresses individual responsibility. In 1984 an agreement was reached, which, however, because of a wrong turn, fell by the wayside. Now, in 1986, we are almost certain to have a real agreement. Only the Belgian Trade Union still has to approve it. And it is a good agreement. With this agreement a piece of social history has been written by the participants. They have retaken responsibility from the government. The agreement contains a fundamental position and a consensus of employers and employees on a whole series of social-economic problems. It is striking that in a country that is often so divided, employers and employees have reached agreement on so many issues. In Germany, a country that is often praised, there is less of this type of unity.

[Question] What about your ambitions after May 1987?

[Answer] I myself would like to slow down a bit and only put in a 40-hour workweek. I still do see a task for myself in the European field, though. A political Europe doesn't exist yet, but an economic Europe does. That clock can't be turned back. I would still like to play a role in that Europe. Besides that, I want to be active in bringing training and industry closer together.

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CSO: 3614/12

FAMAGUSTA FREE PORT STATISTICS REPORTED

Nicosia KUZUY KIBRIS TURK CUMHURİYETİ RESMİ GAZETE in Turkish 26 Jun 86 pp 272, 289

[Excerpts from Famagusta Free Port and Zone 1986 Budget]

[Excerpts] D) Free Port Traffic

The table below outlines the cargo traffic at the Free Port. As is seen from the table, cargo traffic increased until 1982, but declined in 1983 and 1984 because some firms suspended their operations.

Year	Incoming cargo (metric tons)	Outgoing cargo (metric tons)	Number of ships
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1978	21,578,000	20,000,000	15
1979	89,173,438	66,130,450	39
1980	85,783,618	93,903,131	119
1981	104,900,979	93,339,978	116
1982	161,676,338	118,208,433	127
1983	86,276,143	77,052,330	122
1984	81,176,568	72,604,599	72
1985 (as of 8/31/85)	14,272,565	10,494,542	22

Comparative Draft Balance Sheet for 1985 and 1986 (in Turkish lira)

1985	Assets	1986
7,538,853.00	Floor inventory	9,538,853.00
	Vehicles and equipment	
885,420.00	Cars	2,885,420.00
41,560,260.00	Cranes	41,560,260.00
199,000.00	Fire extinguishing devices	3,199,000.00
327,000.00	Motorcycles	327,000.00
109,574,102.00	Forklifts	109,574,102.00
--	Roll-on Roll-off tractors	15,000,000.00
--	Washing machines	2,000,000.00
--	Mobile crane purchase	190,000,000.00
	Buildings	
12,519,304.00	Offices and work places	24,519,304.00
23,934,683.00	Administrative buildings	25,934,683.00
--	Warehouse, workshop construction	25,000,000.00
	Infrastructure	
127,000.00	Breakwater construction	127,000.00
31,031,100.00	Free zone infrastructure	44,531,100.00
58,800,000.00	Asphalting	58,800,000.00
	Installations	
9,318,000.00	Scales construction	9,318,000.00
87,985,500.00	Receivables	63,990,000.00
271,545,047.00	Current assets	100,757,994.00
655,345,269.00	Total assets	727,062,716.00

Comparative Draft Balance Sheet for 1985 and 1986 (in Turkish lira)

1985	Liabilities	1986
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	Accrued Depreciation	
17,564,812.00	Cranes	21,720,838.00
201,348.00	Cars	289,890.00
65,400.00	Motorcycles	98,100.00
1,209,540.00	Floor inventory	1,963,426.00
162,438,754.00	Profit	66,686,293.00
473,865,415.00	Net worth	636,304,169.00
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655,345,269.00	Total liabilities	727,062,716.00

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CS0: 3554/56

AGREEMENT SIGNED WITH EEC ON TEXTILE QUOTA SYSTEM

Istanbul DUNYA in Turkish 7 Oct 86 pp 1,9

[Report by Ferda Volkan Mutlu]

[Text] Consultation meetings between officials of the EEC Textile Commission and leaders of the Turkish Textile Exporters' Unions ended with the signing of an harmonization document. It was decided that Turkey express its views with regard to the Harmonized System, which was formulated within the framework of GATT, at the meeting to be held in November.

Meanwhile, the Textile Exporters' Unions have begun distributing the unused portion of the export quotas which were originally distributed on the basis of past performance. In the one half day during which 670 quota applications were received it was observed that some firms filed multiple applications and that one firm filed 36 applications. Officials of the Textile Exporters Unions said that they will evaluate the status of firms which have filed multiple applications and which have asked for a large number of quotas in a single application.

The consultation meetings held between the officials of the EEC Textile Commission and the Turkish Textile Exporters Unions, which were held in accordance with the accord signed in May within the framework of the Administrative Cooperation Agreement, ended with the signing of an harmonization document. During the meetings, export levels in various categories were reviewed in their main features, views were exchanged with regard to the Harmonized System, questions related to folkloric products and the functioning of the quota system were discussed, and lengthy arguments were exchanged over exports in categories 12 (socks) and 7 (women's blouses).

During the meetings, where proposals were discussed with regard to resolving problems encountered in categories 7 and 12, new easements which can be used in 1986 were created in category 7. In the harmonization document that was signed, it was decided to offset the quotas of the countries to which exports are high with the quotas of countries to which exports are low in order to avoid difficulties for Turkish textile exporters. With regard to Category 12, it was decided that the Textile Exporters' Unions formulate a solution within the framework of the solution found for Category 7 and put forward its views at the meeting to be held in November. In conclusion, while Turkey cannot

distribute new quotas for categories 7 and 12 during the rest of 1986, it has won the right to continue its exports. Prior to the consultation meetings, the EEC side was thought to be inclined to halt imports from Turkey because of the excessive quantity of Turkish exports in the first 6 months of the year. As a result of the consultation meetings, Turkey has won the right to export the 5.5-million-unit quota (which has been distributed among the textile firms.) During the meetings, the EEC delegation pointed out that 11 million units were exported in Category 7--which is not subject to quotas--in the first 6 months of the year and that the Administrative Cooperation Agreement envisages 9.5 million units by the end of the year and demanded that this difference be made up by cuts in other categories.

The quotas which were initially distributed among exporters on the basis of past performance criteria and which were later returned to the free quota pool because they were not exported in the 2-month period began to be distributed yesterday. While it is reported that there is no shortage of quotas in any category except categories 7 and 12, 670 quota applications were filed in a half day. It was observed that some firms filed multiple applications and that one firm filed 36 applications. The quota applications will be examined and answered today.

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CSO: 3554/62

VIEWS EXPRESSED ON EEC FULL MEMBERSHIP

Time Said Right for Application

Istanbul MILLIYET in Turkish 7 Oct 86 p 10

["Thoughts of Thinkers" column article by retired ambassador Semih Gunver:
"Application for Membership Must be Made"]

[Text] After 12 September 1980, relations between the EEC and Turkey were frozen, financial aid to Turkey was cut, the Association Council--which should meet at the foreign ministers' level--remained inoperative, and the EEC-Turkey Joint Commission was disbanded. Turkey appeared to have missed the EEC train and was faced with the danger of being excluded from Western Europe.

The free movement of workers, envisaged by Article 12 of the 1963 Association Treaty and Article 36 of the Supplementary Protocol, has remained inoperative since 1976.

Exploiting Turkey's crisis of democracy, the European left and provocative Greek parliamentarians have turned the EEC's European Parliament into an organization that insults Turkey at every opportunity.

The Ozal government which wants to turn Turkey into bridge between the East and West has realized that the European leg of the bridge was about to collapse and has embarked on an effort to improve relations with the EEC.

The liberal market policies Ozal has been trying to implement and the major strides Turkey has taken toward democracy have led to a limited rapprochement despite the efforts of the Greeks to the contrary.

Dialog Begins

The Association Council met in Brussels around the middle of September 1986. Foreign Minister Vahit Halefoglu attended this meeting. Thus a government-level dialog began with the EEC. Session chairman Geoffrey Howe, the British Foreign Secretary, tried to help Halefoglu. At this meeting it became evident how determined Greece is to prevent Turkey from entering the EEC. The European ministers attending the meeting watched with interest and astonishment the "bloody battle"--as described by our Foreign Ministry experts--between Halefoglu and his Greek counterpart. While the Europeans

appeared not to endorse Greece's rigid stance, they were in fact pleased with the dispute. The Turkish-Greek conflict is a screen behind which the EEC governments can hide because they see more harm than good in admitting Turkey into the community before fully absorbing Spain and Portugal. In fact, Mrs Thatcher suggested to Ozal in London that Turkey should not be hasty in applying for full membership, that it should be patient for about 10 years and that it should prepare its political and economic structure during that period. Last year, Dutch Ambassador Niemann, the session chairman for last year, expressed the same views to the Turkish press in Ankara. In the latest meeting of the council in Brussels, Geoffrey Howe reiterated this advice.

A substantive formula could not be found by the end of the Association Council meeting in Brussels. However, at least a dialog was begun in relations that had remained broken for many years. The meeting also prompted relevant commissions to reopen Turkey's files.

However, 1 December 1986 is approaching. On that date, 22 years will have elapsed from the date the 1963 Ankara Association Treaty and the Supplementary Protocol became effective. According to Article 36 of the Supplementary Protocol, the fourth and last stage of free movement of workers should go into effect on that date, finally settling the issue of free circulation. However, that issue has been frozen since 1976. The FRG, in particular, has decided to close its doors to Turkish workers. The Bonn government attaches vital importance to this issue and sees the prospect of a swelling number of Turkish workers as a major peril to the "survival of the German race." It has become evident that the Germans are not prepared to make the slightest concession on the issue of free movement of workers. The other EEC governments have a strong trump card they can use against Turkey on this issue. Spain and Portugal became full members of the EEC in January 1986 after lengthy negotiations, but full free movement rights for their workers will not become effective until 1993, 7 years later. Greece still does not enjoy this right fully. Thus, it would be a major contradiction to grant to Turkey, an associate member, a right which has not been granted to even full members. Thus the Twelve of 1986 do not wish to fulfill a commitment made by the Six in 1963.

The time of decision had come for the Ozal government. The right of free circulation would be effectively lost if 1 December 1986 were awaited silently. Insisting on the full implementation of the Ankara Treaty and the Supplementary Protocol would not help because that would be rejected by the FRG and other governments. Foreign Ministry experts and some newspaper columnists had been advising that Turkey apply for full membership in the EEC before 1 December. The decision "hanged from Ozal's lips." If a written application was filed, cooperation and dialog with the EEC could continue, financial aid could be procured from the EEC, and with a diplomatic maneuver the issue of free worker movement could be moved into the agenda of full membership negotiations. In any event, these negotiations would take a long time. The procedures to be followed are complex. First, the EEC Council of Ministers has to send the application to the EEC Commission and ask for its advice. The Commission may take as long as 2 years to respond. If it gives a positive response, the Council of Ministers can call for negotiations. These

negotiations may last 5 to 6 years. Thus the issue of Turkey's full membership could extend into the 2000's.

In the meantime, a settlement could be reached with Greece. The Europeans would prefer that Turkey not apply for full membership and that it first implement a customs union and improve its economy and democracy.

Ozal was politically strong at home. He dominated the Assembly. He could make such a decision. The foreign ministers of the pre-12 September governments carried the application letter in their pockets but did not have the courage to submit it to the EEC Council of Ministers. If Ozal was genuinely interested in this matter he must not miss this last chance.

Conclusion

However, the by-elections of 28 September 1986 seriously shook Ozal's strong political position at home. If Ozal makes such an application in today's conditions, what will be the reaction of the opposition--effectively 68 percent of the vote?

After the elections I asked Suleyman Demirel about the possible stance of the Correct Way Party, the second largest party of the right, on this issue. Demirel said that "the application should have been filed long ago," that he does not "think Ozal is serious about this issue" and that he does not "think that Ozal will apply unless there is an open invitation from the Western countries." The Social Democratic Populist Party [SDPP] supports Turkey's membership in the EEC, but it would prefer that Turkey not be hasty in this matter and that it first strengthen its economy, in particular the national industry which may be overwhelmed in the event of full membership. The SDPP has not yet examined the issue of free movement. Bulent Ecevit is not opposed to the EEC, but he is always cautious and reserved. The only party that would seriously oppose an application for full membership is the Prosperity Party, but its opposition is not significant.

Despite the new situation that has emerged after the by-elections, if Ozal is serious about the issue he must file the application for full membership before 1 December. He must not miss this last chance and must prove the sincerity of his intentions with regard to his relations with the West.

EEC Official Comments

Istanbul DUNYA in Turkish 7 Oct 86 pp 1,9

[Report by Levent Gurses]

[Text] Eberhard Rhein, the Mediterranean and Middle East Section Chief of the EEC Foreign Relations Commission, said that the 12 countries of the EEC are hesitant about expanding the community further.

Replying to DUNYA's questions regarding relations between Turkey and the EEC, Rhein recalled that Britain's membership process in the community had taken 11 years and that Spain's application took 10 years and added that the decision

about full membership will have to be made by the Turkish government and that the EEC will review Turkey's application when it is filed. Expressing his personal views on Turkey's full membership in the EEC, Rhein said that if an application is filed now it would be premature.

Stating that he thinks that the view that 75 percent of Turkey's industry can compete with Europe is too optimistic, Rhein noted that 80 percent of Turkey's exports to the EEC are textile products and that the textile sector is the most open sector to competition. Rhein said that he does not think that other sectors can be as competitive as the textile sector.

Noting that there have not been any substantial changes in the Community's agricultural policy following the accession of Spain and Portugal, Rhein said that agricultural problems have always been the same and that there are surpluses in meat and other produce categories.

Stating that the recent by-elections indicate that democracy is rapidly developing in Turkey, Rhein said that the democratization process is still not complete but that rapid development has been observed since 1982. Stating that Turkey's growing relations with Middle Eastern countries is a positive development, Rhein said: "This is in Turkey's interests. It shows that Turkey is a major power in the region."

9588

CSO: 3554/62

PAPER DETAILS FOREIGN DEBT IMPACT ON BUDGET

Istanbul DUNYA in Turkish 7 Oct 86 p 3

[Text] Ankara--Interest payments on debt from the 1986 budget totaled 664 billion Turkish lira as of the end of July.

According to the information obtained, 445 billion Turkish lira of the interest payments made from the 1986 budget was for foreign debt and the remaining 219 billion Turkish lira was for domestic debt.

The share of interest payments in budget expenditures has also been rising steadily. While interest payments constituted 11.2 percent of the 5,313-billion-lira budget in 1985, they formed 16.2 percent of budget expenditures of 4,101 billion Turkish lira as of the end of July. Interest payments constituted 13.7 percent of budget expenditures of 3,406 billion Turkish lira as of the end of June.

Meanwhile, the ratio of interest payments to tax revenues rose from 15.7 percent at the end of 1985 to 20.9 percent at the end of July 1986. The said figure stood at 18 percent at the end of the first half of the year.

Budget Deficit of 104 Billion Turkish Lira

Meanwhile, it has been determined that the 1986 budget ran a current deficit of 104 billion as of the end of July. This deficit is 55.4 percent less than the 233-billion-lira budget deficit for the corresponding period of last year.

The decline in the budget deficit compared to last year is attributed to the 730-billion-lira rise in the government's deposit account which had declined by 194 billion Turkish lira during the corresponding period of last year. The rapid growth of the government's deposit account stems from the policy of cutting investment expenditures in the budget.

The gross deficit, which is computed disregarding the status of the government's deposit and overdraft accounts, totaled 445 billion Turkish lira as of the end of July. This figure is 140 percent higher than the 185-billion-lira gross deficit in the corresponding period of last year.

There was also a 362-billion-lira increase in the government's overdraft account in the first 7 months of this year.

Revenues, Expenditures

In the January-July period of this year the budget's tax revenues totaled 3,174 billion Turkish lira, while nontax revenues totaled 482 billion Turkish lira. It is estimated that the budget's tax revenues have risen by 60.2 percent and nontax revenues by 8.6 percent compared to the corresponding period of last year.

Of the 4,101 billion Turkish lira spent from the budget as of the end of July, 1,330 billion Turkish lira were current expenditures, 913 billion Turkish lira were investment expenditures, 1,194 billion Turkish lira were transfers and 664 billion Turkish lira were interest payments on debt.

It has been determined that investment expenditures for the said period are 83.7 percent higher than those for the first 7 months of last year.

Budget Financing

In the first 7 months of the year, 216 billion Turkish lira were borrowed from abroad and 453 billion Turkish lira were borrowed domestically to finance the budget. When the payments for the principal of the debt is included, it is seen that foreign borrowing has had an adverse effect on budget financing while domestic borrowing has had a net contribution of 81 billion Turkish lira.

In the January-July period of this year, principal payments on domestic and foreign debt totaled 516 billion Turkish lira and 372 billion Turkish lira, respectively.

During the same period, 611 billion Turkish lira were advanced by the Central Bank and treasury bonds totaling 360 billion Turkish lira were sold.

9588

CSO: 3554/62

ADMINISTRATION SAID DIVIDED ON FOREIGN EXCHANGE POLICY

Istanbul CUMHURIYET in Turkish 13 Jul 86 pp 1,12

[Article by Enis Berberoglu]

[Text] Ankara--A package that includes measures that will lead to renewed "strict regulation" of foreign exchange is being debated. Government circles concerned about banks' implementation of "foreign-exchange stockpiling" methods during the summer, are considering, as a solution, making a distinction of foreign-exchange accounts and raising the percentage of the reserve deposited in the Central Bank. A proposal to impose a tax, once again, on foreign-exchange savings accounts is also on the agenda.

A group that is looking for an "economic" solution to the foreign-exchange problem seeks "institution of a realistic rate of exchange."

Varying views are being announced in government circles on measures to take in the event of a possible foreign-exchange crisis. Economic units, which fear that several banks, recognizing an opportunity created by large foreign-debt payments and reduced worker and tourist foreign exchange, have begun stockpiling foreign exchange again, wish to apply "policing" measures. Those who support this view propose making a distinction in foreign-exchange accounts and raising the percentage of the reserve (supplementary funds) that is deposited in the Central Bank. The percentage at the beginning of the year was 20 percent, and was later decreased to 15 percent. Among the measures under consideration is the reapplication of a tax on interest from foreign-exchange accounts.

It has been learned, however, that economic units that seek to find an "economic" solution to the foreign-exchange problem oppose these harsh regulations. The view of this sector within the Central Bank is, "Strict regulations could not prevent stockpiling in the past. Temporary shortages of foreign exchange can be alleviated by applying a realistic exchange rate." Those holding this opinion approve of keeping the exchange rate low, to a certain degree, while foreign-debt installment payments, which approached \$1.5 billion last month, are being made and plan to "compensate" banks in the days ahead for losses incurred.

A source, who confirmed that varying views on the foreign-exchange issue are being propounded by government circles said:

"The tendency right now is to solve the problem using economic methods. However, if strict measures are to be taken, they cannot be expected to be implemented quickly."

Foreign Debts

Another problem government circles seek to solve is that of banks' short-term foreign debts.

The government has acknowledged the financial difficulties encountered in the past by banks due to payment of these debts and plans to encourage these financial institutions to take out long-term loans. Among the measures to be taken in this area are requiring banks to maintain large reserves for short-term debts and an extremely low percentage of reserves for long-term debts. If such measures are put into effect, banks will be given a "grace period," and, 6 months after a decision is put into effect, old debts will be subject to the new regulations.

11673

CSO: 3554/158

SALE OF STATE BONDS ABROAD CRITICIZED

Ankara YANKI in Turkish 21-27 Jul pp 40-42

[Text] You can't get credit from abroad? No need to worry! Ozal government would find a way out of that. State Economic Enterprises (SEE) need foreign exchange? Np problem! Firms and tourism companies want foreign exchange? There is a solution for that, too. You could quickly arrange to sell your state-guaranteed bonds to Japan and get as much money as you want. Had selling property to foreigners been allowed, one could have sold them dams and bridges, but unfortunately that is not possible 'at the present time'.

Methods used by the Ozal government in solving the 'funding' problem -- the perennial headache of Turkish governments -- are the sort of stuff for which patent rights may be taken. Yet the greatest source of funds, whether for current expenditures or investments, has been the public, as Prime Minister Ozal well knows. This is the method whereby one borrows from the public for a certain period to repay with interest at a later date. In common parlance this is referred to as the 'bridge-dam sale'. In fact, the transaction is quite simple: Bonds are issued under the name of major investment projects which are sold to the public with 50 percent, or more, interest for a 6-month period, and the money thus collected is repaid with interest which sometimes adds up to half the principal.

The state is playing some kind of 'banker's game'. Whether the borrowed money is put to productive use or not, the state has to repay the money when the time comes. Yet the government does not pay much heed to the warnings issued by its experts. If the money borrowed by high interest rates is used for investment expenditures there is no problem. But when this is not done it means that the state is borrowing with one hand while repaying with the other. The current practice cannot be much different than that.

The government which prides itself for its competence in getting credit from overseas, and in gaining the confidence of financial

organizations has now 'discovered' a new method of borrowing. This method, initially suggested during a dry spell in credit, is not all that different from domestic borrowing. The difference is that the creditors are not Turks but foreigners, and the medium is not TL but foreign exchange. And the transaction cannot be presented as a sale of bridges and dams, due to legal constraints. But essentially there is little difference. Rate of interest is around 6-8 percent.

Japan is the first country where this policy has been carried out. But sales of bonds were made not to Japanese citizens directly but to Japanese broking firms. As a result of this practice which started in May 85, the amount of bonds issued in Japan has now reached the hardly negligible figure of Y 39.5 billion. The bonds mature in 7 years.

Leading the domestic institutions that handle the bond issues has been the State Investment Bank, followed by the Turkish Industrial Investment Bank and DESIYAB (State Industry and Worker Investment Bank).

During 85 in particular and in order to plug the gaps in foreign exchange requirements -- largely created by annual development plans of the SEEs and other projects specified in annual programs -- the State Investment Bank (SIB) has twice issued bonds to Japan. SIB officials are stating that in 86 there were no foreign exchange requirements by the SEEs, but they are quite prepared to consider it if they receive a request.

Why Japan?

Contacts have been made by public and private Turkish firms with a view to getting a share of international capital flows, and discussions held in Turkey with a commission representing Japanese broking firms. These have produced some results. The banks, depending on the scale of their foreign exchange requirements, are seeking authorization with the Japanese Ministry of Finance, having first reached agreement with the commission. After receiving the authorization, following bond issues were made through Japanese brokers: In 85 by Turkish Industrial Development Bank with 7.7 percent interest Y 7 billion; in Oct 85 by Tourism Bank 7.3 percent interest Y 7.5 billion; in Dec 85 by DESIYAB 7.8 percent interest Y 7.5 billion. Two separate issues were made by SIB: in Feb 85 7.5 percent interest Y 10 billion, and in Jun 85 6.8 percent interest Y 8.5 billion. The total of Turkish bonds issued in Japan has reached Y 39.5 billion.

Why Japan? The answer is that Japan seems willing to lend money through bond purchases, though everyone knows the various difficulties involved even when there is the state guarantee. This

development is attributed to the particular aspects of the Japanese economy. The primary reason is seen as the Japanese balance of payments surplus. Research has shown that 1 unit of growth in the world economy leads to a 1.7 unit increase in Japanese exports and only 0.7 unit increase in imports. This tendency is further reinforced by the large drop in oil prices which has been responsible for about half of Japan's import bill. And this has meant large increases in savings.

The Japanese government has made considerable efforts since 83 to liberalize its money and capital markets. Japan consequently has become quite prominent in world capital markets. Experts list the following reasons for this: Japan's strong liquidity position, the internationalization of the yen, and the loosening or abolition of controls over Japanese capital markets.

Experts Pessimistic

Along with such liberal policies the Japanese surplus reached great proportions, and U.S. has pressurized them to invest in capital markets. Today, Tokyo has become the second largest stocks and bonds market after New York, and is fast becoming a market where large-scale transactions of U.S. treasury bonds are being made. Meanwhile, there is the problem of what to do with the accumulating funds which are due to the fall in commodity prices worldwide. Some economists are suggesting that these funds should be channeled to the Third World. Touted as the new 'Marshall Plan' it enjoys the support of Japanese businessmen. The program is viewed as "contributing to the solution of the Third World debt crisis as well as softening the edges of certain traditions in the face of increasing Japanese surplus and economic power." While it cannot be said to have the wholesale support of Japanese business circles the support is quite solid. But some Japanese investors are still not too happy with all this. Of course, countries like Turkey, with perennial problems in securing external loans, are showing great interest in such developments. Some experts are still skeptical about the whole thing, and the future of the current practice does not look as rosy as the Japanese economy.

[Interview with Professor Besir Hamitogullari of Ankara University Faculty of Political Sciences, by correspondent Murat Kavalci; date and place not specified]

[Text] Responding to YANKI's questions about bond sales to Japan by State Investment Bank, Professor Besir Hamitogullari gave the following answers:

[Question] What is the economic rationale of the bond sales to Japan by State Investment Bank?

[Answer] Turkey's bond sales overseas is a newer mode of external borrowing. The economic reason behind it is the shortage of capital accumulation needed for state investments. This is an attempt to overcome the shortage of funds that can be allocated to investments within overall state expenditures.

From our point of view there are two aspects to Japan's purchase of these bonds which come close to Y 40 billion. Firstly, this is an expression of confidence in and support for the liberal model and policies that are being implemented in Turkey. Secondly, Japan has an increasing surplus of foreign exchange reserves which it wants to utilize in a diversified way. One should also consider the fact that Turkey is in a position to facilitate Japan's penetration of Middle Eastern markets and the Islamic world in general.

[Question] Why are these sales made to Japan in particular?

[Answer] One could say that the bond sales have been instrumental in establishing a new type of relationship with Japan. New possibilities are emerging for establishing a synthesis between Japanese capital and Turkish labor. There is also the short-term goal of further developing our economic and commercial relations with Japan. But it may be argued that these sales are not too favorable for Turkey given the maturity period and rate of interest. Turkey's gains are further reduced by the fact that the bonds are issued through Japanese broking firms. It could have been possible to view the whole matter in the light of Japan's huge foreign exchange reserves which are continually increasing and creating inflationary pressures. Had this been done both the interest rate and maturity period could have been secured at terms more favorable to Turkey. Certain factors which might have worked to our advantage have obviously not been taken into consideration.

12466

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ECONOMIC MEASURES REPORTED IN WORKS

Istanbul HURRIYET in Turkish 13 Jul 86 p 4

[Article by Yavuz Gokmen]

[Text] Ankara--Prime Minister Turgut Ozal stated, "A new economic package is being discussed. When questioned, we both can and cannot call it a package." Prime Minister Ozal reported, "New measures will be taken, and the money supply will be tightened," and stated, "Several indices are being studied." The prime minister added that the measures will be monetary and that several restrictions will also be imposed. "We are not waiting for elections or any other event before taking measures." The prime minister noted that, following talks on the subject of measures to be implemented, which he will hold with the president tomorrow, he will make an announcement and said, "Kaya Erdem has decided not to hold a press conference." When asked where monetary cutbacks would be made, Deputy Prime Minister replied, "Everywhere."

It is claimed that, at the OECD meeting held in Paris last week, DPT [State Planning Organization] Undersecretary Yusuf Ozal firmly stated, "Within the next few days, we will put a new economic package into effect." In answer to a question on this subject posed by HURRIYET, Yusuf Ozal asserted, "I merely stated that the government will, at the proper time, take measures required by the economy." Responding to another question, he said, "If we reduce inflation suddenly, we will halt growth, and we would have to be reproached for that."

Stabilization Package

Last week, Ankara became the site of a series of meetings chaired by Erdem and held in reaction to the Central Bank's request to reduce the money supply, in particular, and to the treasury's support of this request. While these meetings were underway in Ankara, the Turkish economy underwent questioning in Paris. A Turkish economic consultation was conducted by a consortium, the EDRC (Economic Development Review Committee). The consultation centered around determining the situation that would result if credits provided Turkey by the consortium were retracted or were left intact. According to assertions made by reliable sources, Yusuf Ozal spoke here and talked about "putting a stabilization package into effect within a few days." Yusuf Ozal told HURRIYET, however, "I said that the government is monitoring the economy closely and will take necessary measures at any moment." He continued:

"As you know, I was not in Turkey last week, and I do not know what developments took place. The economy, however, is in general, good. It is true that positive developments are taking place. We examined this and noted that the volume of credit, not demand for money, had increased. Later, there was a trend toward increasing the issuance of money. In other words, the shortage is related to the increase in money supply. I, frankly, do not favor an economic package. When taking necessary measures, I disapprove of a sudden, intensive approach, but favor a gentle method. You say that we cannot reduce inflation as rapidly as necessary. You say that, despite the fact that inflation in other countries has approached zero due to the extreme decline in oil prices, the rate of inflation remains elevated in Turkey. There is some truth in this. Do not forget, however, that Turkey is in a state of growth, and money is needed for growth. If we reduce inflation suddenly, growth will cease and unemployment will ensue. We favor moving slowly and carefully, and this is what we are doing. That is to say, the annual inflation rate will be what is an ideal figure."

Yusuf Ozal later noted, "Listing measures that must be taken could cause speculation." He said, "Measures must be related to an increased money supply. Investments in the budget and other current expenditures must be controlled."

Other Resources

Nearly every high-ranking economic official told HURRIYET: "The difficulty lies in the increased money supply. There is no shortage in foreign exchange. There is slight variance in workers' foreign exchange. The budget must be tightened. The treasury must not use advances."

While each segment within the government agrees in general, various differences of opinion were expressed. The Ministry of Finance stated, "The budget should not be reduced. Funds and municipal expenses must be lowered." According to the Central Bank, "The budget must be cut by at least 20 percent in order to reduce it to 80 percent of last year's budget. The treasury approves of increases in some investments and urges that new investments not be undertaken."

Results

Following implementation of measures that are understood will be put into effect under the name, stabilization package, or without a title, the results that can be expected are summarized:

"Expenditures in the public sector will be reduced. Civil servants will definitely not receive supplementary benefits. Monies spent on social services will decrease. Notices encouraging savings accounts will be published. Prime Minister Ozal will be forced to delay his 'highways' project until 1987. Local administrative expenditures will be controlled. Fund spending will be closely inspected again. Increases in charges for educational, health, and other services will be unavoidable in order to reduce expenditures by the social services and the public sector."

11673

CSO: 3554/158

TAX POLICY LINKED TO INFLATION CONTROL FAILURE

Istanbul DUNYA in Turkish 7 Oct 86 p 3

["Our View" column by Veysi Sevig: "Inflation and Fiscal Policy"]

[Text] None of the programs implemented in our country to cut the inflation rate have produced any success. "Combating inflation" is one of principal guidelines in budget goals every year. Ironically, in practice the budget itself becomes the source of inflation.

Combating inflation is not as difficult as it is thought. By taking a sound approach it is possible to identify the causes of inflation. These causes can be identified by analyzing the economy.

Most of the causes of inflation in our country stem from the implementation of the budget. First of all, budget expenditures must be based on solid sources of revenue. However, that is not what happens in practice. In recent years, the government budget has been financed with debts borrowed on the promise of paying high interest rates. This practice is the principal cause of inflation.

When one looks at statements in the 1986 budget, one sees that it is envisaged to cover budget expenditures with real budget revenues, that is taxes. In practice, however, nontax revenues weigh heavier.

According to official statements, tax revenues have increased substantially compared to last year. However, in our opinion, that increase carries no significance. Because what is important is the ratio of tax revenues to the gross national product [GNP] and not the rate of increase of tax revenues. If tax revenues are rising as a proportion of the GNP then that is a significant development.

The tax burden has been steadily dropping in our country. The tax burden declined from 19.3 percent in 1977 to 14 percent in 1985. When the effect of exceptions and exemptions are included in the value added tax [VAT] introduced at the beginning of 1985, it is seen that the burden of this tax alone on the GNP is approximately 6 percent. Thus the decline in the tax burden in our country became more distinct in 1985.

When estimating the tax burden, the net figure needs to be calculated. Because according to the existing legislation in our country, some exporting firms receive VAT rebates provided that they comply with certain formalities. In addition, wage earners and retirees are paid a certain amount of money--depending on the documents they can put together--in the form of a tax rebate. Both of these implementations have led to acts which breach the ethics of taxpaying, and low-income wage-earners and retirees have been forced to become virtual beggars for receipts.

How much VAT rebates have been paid out in our country in 1985 and 1986 on the pretext of exports? What is the ratio of VAT rebates to VAT revenues? No data has been published on this issue.

The factors causing erosion in tax revenues are well known. These factors must be eliminated without delay. In no country with a tax collection system has the tax burden declined as rapidly as it has in Turkey. Moreover, the tax burden in our country today is so low that it cannot be compared to tax rates in other countries. That being the case, public revenues are inadequate to cover public expenditures. As a result, other sources of revenue are sought to close the budget deficit. The people's savings are used to close the budget deficit at the cost of at least 50 percent interest.

When the government sets the price of borrowing at such a high level, the inflation rate cannot be expected to be less than that price, that is 50 percent. Because those who can earn a lower return on their capital invest their money in government debentures which yield 50 percent interest rather than investing it in businesses. Unfortunately, in recent days even this price set by the government is not found satisfactory by the savers.

The decline in the tax burden may be advantageous from a one standpoint. If the tax burden of low-income groups is reduced or eliminated the government may contemplate to forgo some public revenues for the sake of establishing a socioeconomic balance. However, at 17.8 percent, the tax rate on the minimum wage is higher today than the average tax burden.

When one looks at the tax rate on the minimum wage, one easily sees that there are some major factors eroding tax revenues in our country. These factors must be eliminated without delay.

Tax laws and other fiscal legislation have become so meaningless that today they are imperiling the government budget. It is essential to debate these laws in public, to enact tax laws which comply with the provisions of the Constitution and to collect taxes according to the payers' ability.

Collecting taxes, that is taking it from the taxpayers and transferring it to the government's safe deposit box is not as easy as it seems. This process depends on the relationship between the taxpayer and organization responsible for collecting taxes. This relationship must be conducted in accordance with laws and regulations. For that, it is essential to have tax laws which are clear and understandable.

PAPER REPORTS ON STATUS OF ROAD-BUILDING PROJECTS

Five New Highways Planned for 1987

Istanbul DUNYA in Turkish 7 Oct 86 p 3

[Report by Erdal Saglam]

[Text] Ankara--The five new highways scheduled for construction this year, in addition to the three highways currently under construction, were deferred into the 1987 investment program after being reviewed by the Higher Planning Council. The five new highways, for which bids will be invited next year, are planned to be completed in 4 years. The construction of the said roads over the planned period will necessitate the expenditure of 538 billion Turkish lira in 1987.

It has been decided to finance the said five highways which will be bid upon in 1987 through the Public Partnership Fund. The financing of the highways whose construction is planned to be completed in the 4-year span between 1987 and 1990 is budgeted in annual slices. It is reported that 466,705 million Turkish lira (assuming that \$1 equals 800 Turkish lira) in foreign loans will be needed in 1987 to finance the said roads and that, in addition, 121,248 million Turkish lira will have to be borrowed domestically.

Total Length of 5 Autoroutes: 1,200 Kilometers

These five new highways, which were originally included in the 1986 program together with the Izmir-Urla-Cesme and Tarsus-Pozanti highways currently under construction and the Kinali-Sakarya highway for which foreign financing has been procured and which will be built together with the 2d Bosphorus bridge, have been moved over to the 1987 program. The five highways which will have a total length of 1,200 kilometers are: Edirne-Kinali, Kazanci-Gerede-Ankara (including a beltway), Tarsus to Pozanti turnoff-Toprakkale-Gaziantep, Izmir-Salihli and Izmir-Torbalı-Aydin-Denizli. It is also reported that negotiations are under way for a foreign loan for the Gerede-Bolu-Ankara portion of the Kazanci-Gerede-Ankara highway, which is planned to be built in two parts, and that after foreign credit is procured the Highways Directorate General will invite bids for the construction of the said portion.

Meanwhile, it has been learned that officials of the State Planning Organization [SPO] stated the said highways, which have all been included in

the 1987 program, should be built "one by one." Criticizing the decision to build all five highways concurrently, SPO officials said that such a move would lead to a shortage of resources and that as a result none of the roads will be completed in the planned time frame. SPO officials said that if the roads are built one by one over shorter time frames, the revenues of one road may be used to finance the next road thus making possible the completion of all the roads. It is planned to sell revenue sharing bonds through the Public Housing and Public Partnership funds in connection with the revenue to be raised by the roads which will be financed through the Public Partnership Fund. The SPO is arguing that the sale of revenue sharing bonds after the completion of each road may create new resources which can be used to finance subsequent roads.

Public Partnership Fund to Find 'Supplementary Financing'

The Highways Directorate General will oversee the bidding process and the construction of the five roads whose financing will be supervised by the Public Partnership Fund. Responding to DUNYA's questions on the issue, officials of the Public Partnership Fund said that the issue will be coordinated between the Treasury and the Highways Directorate General and that although the road projects has been placed under the supervision of the Public Partnership Fund, it will be the Treasury which will be responsible for finding foreign financing. Officials of the Public Partnership Fund added that their organization will be responsible for finding "supplementary financing" for the construction of the highways.

In addition to the said five highways, the Edirne-Kapikule highway is also scheduled to be completed in 1987. Stating that in order to complete this highway 18.5 billion Turkish lira will have to be appropriated from the 1987 budget for the Highways Directorate General which is building the said road, SPO officials said that for the moment not more than 1.5 billion Turkish lira has been appropriated for this project and that unless there are new developments, the Edirne-Kapikule highway cannot be completed in 1987.

Focus on Financing

Istanbul DUNYA in Turkish 7 Oct 86 p 3

[Text] Ankara--It has been learned that negotiations for procuring foreign financing for the 108-kilometer Gerede-Ankara Toll Highway Project which will be built through a partnership between Enka and Bechtel will be concluded this week.

According to the information obtained the \$480-million loan needed for the project will be supplied by the U.S. Eximbank, a consortium of banks led by the Morgan Guaranty bank and the Public Partnership Fund.

Negotiations at the Undersecretariat of the Treasury and Foreign Trade between officials of the organizations to supply the financing, the firms which will build the project and the Treasury over credit amounts and terms are expected to be concluded with a credit agreement this week.

The agreement on the loan--which will be guaranteed by the Undersecretariat of the Treasury and Foreign Trade--will be signed at a ceremony to be attended by Prime Minister Turgut Ozal.

According to the credit package submitted to the Treasury, the U.S. Eximbank will provide a loan of \$200 million for the project. The loan will have payback period of 13 and 1/2 years--including an initial grace period of 4 years--and will carry an interest rate of LIBOR plus 1 point. The commercial banks led by the Morgan Guaranty Bank will contribute a loan of \$150 million to the project. This loan will have a payback period of 8 years--including an initial grace period of 3 and 1/2 years--and will carry a fixed or variable interest rate. The remaining \$130 million needed for the project will reportedly be procured from the Public Partnership Fund and other international banks. The amount to be raised by the Public Partnership Fund will be the Turkish lira equivalent of the dollar amount. The interest and payback terms of this loan will be based on terms implemented by the Public Partnership Fund on similar projects.

According to information obtained from circles close to the consortium that will build the project, officials of the financing institutions, the Treasury and the consortium which will build the project met in Ankara 2 weeks ago and discussed the issue of credit. However, during these meetings no agreement was reached over the credit amounts and terms. It is reported that the credit package will be given its final form and credit agreements will be signed at the end of the current set of meetings.

If the credit issue is resolved and agreements are signed, the construction of the 108-kilometers Gerede-Ankara Toll Highway will begin next year--because the current construction season is almost over--and will be completed in 21 months.

It is observed that the Ankara-Edirne portion of the highways project--which is planned to be built on the basis of the model "build-operate-transfer" by the Ozal administration--is given high priority. Sources knowledgeable about the issue have stated that this portion of the project is emphasized because it is related to the 2d Bosphorus bridge.

The same sources said that the Ozal administration has submitted the five-part highway project to the World Bank so that they can be financed with high priority and that, however, the Edirne-Ankara span--which constitutes the first and fourth parts of the project--is particularly emphasized.

The feasibility of building the remaining portions of the project will be clarified at the end of negotiations to be held next year.

The following highways projects have been submitted to the World Bank:

- 1) Sakarya (Kazanci)-Hendek-Bolu-Ankara;
- 2) Izmir-Salihli;
- 3) Edirne-Kinali;
- 4) Izmir-Torbali-Aydin;
- 5) Tarsus-Pozanti (Adana pass)-Toprakkale-Gaziantep.

The project's 208-kilometer portion spanning Tekirdag-Kinali-Istanbul-Adapazari will be built by the Sezai Turkes-Fevzi Akkaya (STFA) group. The contract for this portion was awarded to STFA through a bidding process. The remaining portions of the highway package will be contracted to other firms through bilateral negotiations and without going through a bidding process.

The Adapazari-Gerede road will be built by the Italian firm, Astaldi SPA. The financing agreement for this span of road was signed a few months ago. Astaldi is currently preparing to begin construction.

Transit Roads Progressing

Istanbul DUNYA in Turkish 7 Oct 86 p 2

[Text] Most of the 445-kilometer road linking the Birecik district of Sanliurfa with the Habur border crossing point near Mardin's Silopi district has been completed. According to information obtained from Yalcin Yumrukcali, the director of the 9th Highways District, 50 billion Turkish lira has been spent so far for the 360 kilometers that have been completed within the framework of the Turkish Transit Highways Project, known by the acronym TETEK. Yumrukcali said that the TETEK project, which is financed with loans from Kuwait and the World Bank, will be completed by the end of 1987. Noting that the highway is costing 150 million Turkish lira per kilometer, Yumrukcali added that the complete project will cost 70 billion Turkish lira.

9588

CSO: 3554/63

AUTOMOTIVE SECTOR SAID GROWING FASTEST

Istanbul MILLIYET in Turkish 7 Oct 86 p 4

[Text] Among the top 100 of Turkey's 500 largest industrial corporations--as determined by the Istanbul Chamber of Industry--the Bozkurt Textile Corporation had the largest growth in profit. The said company increased its profit by 872.5 percent from 220 million Turkish lira in 1984 to 2,144 million Turkish lira in 1985.

The second most profitable firm in the "top 100" was the Toros Fertilizer Corporation, which increased its profit by 669.6 percent from 205 million Turkish lira in 1984 to 1,578 million Turkish lira in 1985. Meanwhile, the earnings of Tupras, Turkey's largest industrial firm, rose by only 34.8 percent over the same period.

Otopar was ranked as the "largest corporation" in the category of "manufactured product sales." The company "multiplied" its sales by 13.11 over the said period by increasing them from 2,752 million in 1984 to 38,850 million in 1985. During the same period Mobil increased its sales by 223 percent.

Sectors

The sectors that were able "to stay ahead of inflation" by increasing their sales in 1985 were the lumber, rock processing, basic metals and automotive industries. The automotive sector had begun stalling after 1980, and sales had declined substantially in 1984. The chemical, petroleum and tire industries could increase their sales just barely enough to keep up with inflation and thus remained where they were.

The mining, food, textile, paper, printing, machinery and other manufacturing industries were "lagged behind inflation," and their turnover was eroded by inflation.

9588

CSO: 3554/62

JOINT FRANCO-GERMAN FALL MANEUVER HAILED AS SIGNIFICANT

Conventional Arms Cooperation Praised

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 6 Oct 86 p 1

[Commentary by Gunther Nonnenmacher: "Beyond Routine Maneuvers"]

[Text] The public, already accustomed to maneuvers by non-German soldiers in the Federal Republic, will hardly take notice of the participation of French units in next year's maneuvers in the Passau area. Nevertheless, this event goes beyond normal routine maneuvers, since France is sending components of its newly formed "Rapid Strike Force" (Force d'Action Rapide--FAR). France thereby confirms that the FAR will not be restricted to "fighting fires" in remote regions of the world. Paris will demonstrate in this eastern tip of the Federal Republic that it can also play a role in NATO's forward defense. This is quite remarkable, considering the fact that 20 years ago de Gaulle disengaged his country from military integration in the Western alliance. Finally, this event is symbolic of the extent to which military collaboration between France and Germany has progressed over the last several years.

This was not a foregone conclusion; for it all started with a misunderstanding. De Gaulle considered the 1963 Franco-German Treaty of Friendship to be an instrument for bringing Europe closer to the goal of becoming an independent power between the two superpowers under French leadership, with West Germany as a junior partner and as an entity distinct from the Anglo-Saxon powers of England and the United States. The Bundestag thwarted this plan by adding a preamble to the treaty enumerating German policy goals that appeared to contradict those of General de Gaulle. These were: a close partnership between Europe and the United States, joint defense within the NATO framework, and the admission of Great Britain to the EEC. Allegedly de Gaulle first acknowledged this state of affairs with the lament that he had "remained a virgin." Later he expressed his disappointment, no longer masking it with humor, by saying that the preamble had robbed the treaty of "its spirit and substance."

This judgement is too harsh. It is true that there have been crises and problems in German-French relations that extended both to the EEC--France's policy of the "empty chair"--and to NATO. Nevertheless, the relationship between Paris and Bonn became broader and deeper in the following years, extending even to people-to-people contacts. Finally, much was achieved with

regard to the "substance" of the treaty. One of the reasons for this was that de Gaulle's successors, without much ado, moved away from his eccentric version of French "gloire." Nevertheless, France's insistence on going its own way and on independence has remained a firm dogma to this date. A return to military integration with NATO is equally out of the question for all French parties, including the communists, socialists, and Gaullists. It even took some energetic action to breathe life into the clause of the Elysee Treaty--previously a dead letter--which stipulated that "with regard to strategy and tactics...the competent offices of both countries (will attempt) to consider each other's views in order to arrive at a common concept."

Toward the end of the 1970's President Giscard d'Estaing and Federal Chancellor Schmidt held discussions about closer cooperation in defense policies. Schmidt and Mitterand, Giscard's successor, decided in February 1982 to "reactivate" the relevant part of the Elysee Treaty. Since that time Chancellor Kohl and President Mitterand have made considerable progress in their efforts to achieve closer military collaboration. This process has not been without difficulties--ambitious projects for joint arms production did not proceed as planned. However, great and largely unnoticed advances in collaboration between German and French commands and units have been made.

This success has been overshadowed by the rather unproductive discussions as to whether or not France would be willing to extend its "nuclear umbrella" beyond its national sanctuary to include West Germany. The discussion proved unproductive for at least two reasons: De Gaulle did not think of the "force de frappe" as a substitute for American deterrence, but rather as a "French finger" on the trigger of American weapons--an early attempt to overcome the trauma of disengaging Europe from the United States. Similar albeit unvoiced considerations still determine the buildup of French nuclear arms today. The French umbrella is definitely not large enough to give shelter to others as well. Second, a decision concerning the employment of nuclear weapons is indivisible. Responsibility must remain with one person and that person is the French president.

For the foreseeable future, Mitterand's rather vague promise of consultations appears to be the only result of the nuclear debate. Both sides should and can be satisfied with this. The Passau maneuver proves that conventional military cooperation is an area in which progress can be made--albeit only one step at a time--for many a French defense policy and strategic dogma must thereby be skirted.

Test of Contingency Planning

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 25 Sep 86 p 4

[Interview with Lt Gen Hans-Henning von Sandrart, conducted by Ulrich Mackensen at Kuhlshelm, date not given]

[Text] Maneuvers Are Indispensable

Lt Gen Hans-Henning von Sandrart, army chief of staff, assesses the participation of a French brigade in the Bundeswehr fall maneuver "Franconian Shield"

as a clear commitment by France to participate, "early and up front," in the defense of Europe.

Since the beginning of this week a combined force of roughly 57,000 soldiers from the Bundeswehr, the United States, and France have been participating in the year's largest maneuver, which is being carried out in the region of Lower Franconia. Two aspects of this large-scale exercise stand out. For the first time since the Bundeswehr was formed, a French brigade (about 3,500 men) is exercising under German command, and, since France is not part of NATO's military organization, "Franconian Shield" is not regarded as part of the Western allies' "Autumn Forge" series of maneuvers.

The army chief of staff assesses France's demonstrative participation not as a sensation but as the consequence of an agreement forged by Federal Chancellor Helmut Kohl and French President Francois Mitterand. This development has been welcomed by the military. He stated that it constitutes a clear French commitment to the joint defense of Europe. A more visible participation of French units, even in peacetime exercises, also has the inevitable consequence of reinforcing the European role in NATO. To quote Sandrart: "It is, however, my firm opinion that--even if our cooperation in West Europe should become much closer still--the transatlantic structure will remain West Europe's main buttress."

The general heaped praise on the military cooperation between the Bundeswehr and French soldiers, noting that it was functioning extremely well on all levels and that conventional methods of command in both countries were identical. Von Sandrart predicted that next year, during the II Corps' fall maneuvers in Ulm, an even larger unit of the French Rapid Strike Force will participate under German command, adding that while this type of maneuver was new for the French, it was a common practice with the other allies.

Multinational or purely national maneuvers, even on the scale of "Franconian Shield," continue to be indispensable, in Sandrart's opinion. Time and again, they "put to the test" ideas developed as theory and conceptualized in plans to see if they will also work in practice "on the battlefield." Reality cannot be simulated around a conference table. Military commanders can learn how to respond appropriately in specific situations only when exercising with military units.

"I am convinced that today in particular--as technology becomes increasingly complex--the interaction of, for instance, air defense forces with many friendly and hostile aircraft as well as operational readiness can be tested only with systems that are actually on the ground or flying in the air," the general stated. This is particularly important for multinational maneuvers, since "coalition planning" between sovereign states, with technologies that are not always the same, has always been difficult.

The subordination of a unit, as is the case now with a French or U.S. brigade, to German command (or, vice versa, the release of a Bundeswehr unit) is also important in maneuvers, according to the chief of staff, so that units may be withdrawn at any time and without complications from less threatened areas to be redeployed as reinforcements in critical areas.

FALL MILITARY MANEUVERS IN STYRIA DISCUSSED

Vienna KURIER in German 8 Oct 86 p 17

[Article by Wilfried Jantschner: "Large-Scale Exercise for a National Emergency and Without Victors"]

[Text] Vienna--The military leadership of the I Corps Command regards the fall area defense maneuvers in Styria as training for a national emergency rather than a traditional military exercise. Neither the "blues" nor the "oranges" will come out of these maneuvers as victors: Both are to be the winners--in experience.

The subject of the training is a program for area defense that has been elaborated in great detail. The plan for the exercise is currently lying in a safe in the Ministry of Defense.

The program consists of the following phases:

- engaging the enemy at the border;
- sustained action along an aggressor's operational line;
- operations throughout the country designed to wear down the enemy, including areas that have already been penetrated;
- defense of the largest possible continuous base area; and
- efforts to regain any territory that may have been lost.

The fact that this is not a traditional maneuver with winners and losers is demonstrated by the way operational failures are handled: Both attackers and defenders are whistled to a stop and the exercise is repeated. As Lt Col Franz Gschiel said in a KURIER interview: "We must not give the impression that these exercises are tailored specifically for the Upper Styrian area, nor that we are training for the establishment of an 'alpine fortress.' This concept is applicable to all other parts of the country. Besides, we are not practicing total area defense, but only specific phases of it."

The total concept is obviously not being put on display, since observers from

31 nations will be present. They are to be shown defensive capabilities and only a few phases of the overall plan.

The air force and air defense forces will continue to practice in the Aichfeld-Murboden area until Thursday. The climax of the fall maneuvers will come with the ground forces' action from 13-16 October. The "oranges" as aggressors will practice retaking lost terrain, while the "blue" defenders will try to wear down the attacking enemy forces.

9273/12859

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MILITARY EXPERTS TRAINED FOR INTERNATIONAL CONFERENCES

Vienna DIE PRESSE in German 16 Oct 86 p 3

[Article by Engelbert Washietl: "Report to the Conference Table!: Austria's Military Experts in Training for the CSCE Era"]

[Text] Vienna--"We are closing a gap that needs closing," said Brigadier Christian Clausen in an interview with DIE PRESSE. This statement applies to two subjects. First, there are the neutral and nonaligned states that, during major European conferences, step into the impasses between the blocs and offer their services in seeking face-saving devices. Second, there is the Austrian Ministry of Defense, which belatedly and for the first time is creating a staff of experts that can be deployed at any time during international conferences. Until now, Austria has been well represented militarily at the CSCE and subsequent conferences, and at the Stockholm Conference on Confidence-Building and Security Measures in Europe (CDE), but there was a lack of continuity, as demonstrated by what is happening now. Of the two military officers with CDE experience, Corps Commander Liko and Brigadier Bernecker, one has retired and the other is completely absorbed with air defense problems, which means that at the CSCE follow-up conference starting in November in Vienna, new people will have to be sent into the political and diplomatic battles.

For the first time, there will be a special group of people available for this purpose. Effective 1 January, positions will be created in the Defense Ministry for a five-person "Coordinating Office for Foreign-Oriented Tasks" headed by Brigadier Clausen. Its members, while subject to rotation, will continuously monitor international security developments.

The career situation of the military expert received much attention early this week at a symposium in Salzburg sponsored by the Society for Political and Strategic Studies. Clausen is convinced that "conferences and agreements cannot eliminate conflicts, but they can make them occur more rarely." He believes that the past activities of the neutral states have been "worthwhile preliminary accomplishments." Currently, he says, we are witnessing a veritable race between confidence-building elements and political reality. It is often beneficial if a palpable lie can be discredited by building confidence, i.e., by illuminating and verifying measures.

The public has only the vaguest of ideas about what goes on at international conferences. There is endless, stubborn haggling about the wording of agreements. If it all works out, the end result is a text signed by the European

states, plus the United States and Canada. This text, while not legally actionable, still represents a certain moral obligation, even for the East European governments. The conditions that prevailed at the time of the Congress of Vienna--when full-blooded politicians would make far-reaching decisions affecting all of Europe within a very short time--cannot be replicated today. Conference life means very hard work.

The diplomats are still in charge of the proceedings, but the subjects of the conference themselves demand that experienced military experts be consulted in a timely fashion. After all, what is involved are provisions for observing troop maneuvers, obligatory notification of military exercises, and even the investigation of violations. During the round of talks in Stockholm, an unexpected and extremely short-lived idea surfaced, to the effect that the neutral states would make inspection flights over the territories of the partners to the agreement. The technical feasibility of this idea could not have been evaluated without the participation of military experts. Obviously, the delegates from the neutral and nonaligned states had to discuss this matter among themselves, so as to be able to evaluate its merits.

Wolfgang Loibl, who headed the Austrian delegation to the CDE session in Stockholm and who has in the meantime been transferred to the Embassy in Bonn, had this to say: "The participation of military advisors at this juncture was not only mandatory for the creation of joint neutral and nonaligned positions, but it was an essential prerequisite for enabling the national defense authorities to justify these positions."

There are considerable differences between the diplomatic and the military temperament. Loibl believes that in view of his career background the military expert is accustomed to a command structure and that he therefore requires special training to detect what may lurk behind an innocent-sounding word--a risk the trained diplomat has learned to deal with all his life. On the other hand, Brigadier Clausen finds that the common career features among military personnel may give rise to a peculiar sort of identification: "It happens that at international conferences the military advisors of individual countries develop an almost closer sense of solidarity across national and ideological borders than they have with their own diplomatic colleagues. A somewhat grotesque phenomenon, but it happens." This once again demonstrates the urgent need for fully integrating the military advisor into his national group, because he would otherwise be of only limited use to his country and could become downright dangerous.

Asked if this is a worthwhile use of resources, Clausen replies: "We have to play the game the way it is played today and thus come to terms with a conference style that is almost reminiscent of those of the councils of the reformation with formal discussions drawn out over several years. Today, as was the case then, the stabilizing effect of a conference is based more on its continuing existence than on its formal product." Adds retired General Wilhelm Kuntner: "There are situations in which neutral states can transcend the limits of their influence."

There will always be a certain amount of tension in the relationship between

diplomats and military advisors, but the present effort to convert it into constructive capabilities is worthwhile. Defense Minister Helmut Kruenes, who is sponsoring the establishment of the coordination office, wants to exploit the potential of the influence exercised by neutral states in the international arena. "There is a danger in having the Defense Ministry conduct foreign policy, but it is also dangerous if there is disharmony between the diplomats and the military."

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EMERGING REDEFINITION OF AIRBORNE TROOPS MISSION EXAMINED

Munich SUEDEUTSCHE ZEITUNG in German 16 Oct 86 p 14

[Article by Kurt Kister: "The First Airborne Division of the Bundeswehr--A Penchant for Adventure: Military Utility of Airborne Infantry Must Be Redefined"]

[Text] Merzig, 15 Oct--We have finally reached the end of the line. The view from the door-like opening of the wooden tower does not make another step forward seem exactly advisable or even reasonable. Some 13 meters below, already appearing a bit dwarfed, a few people look up to see if the fellow up there will finally decide to jump. He could indeed do it since a jovial staff sergeant has just attached two spring safety hooks to his straps, which in turn are suspended from a pulley that runs on a wire cable. Thus secured, a brief flash of memory evokes the highly encouraging words of First Lieutenant Poppel: "The tower, an instrument of torture." Be this as it may, nothing ventured, nothing gained. Knees pressed together, chin against the chest, one jump leads out of the door. There is a free fall of 5 to 6 meters, then a jolt and a sudden pain in the left ear. Whoever raises his head too soon, as his fall is arrested by the strap assembly, is punished with abrasions. Suspended from the cable, we finally glide toward the ground.

Proud of Our Capabilities

Such daring jumps from the tower, lasting but a few seconds, are carried out many times every year in the Saarland town of Merzig, and not only by the recruits of the 262d Airborne Infantry Battalion. The tower represents the last step before an actual jump from an airplane for all soldiers who are being trained as parachutists by the Bundeswehr's First Airborne Division. "Those who refuse the challenge of the tower," comments Lieutenant Colonel Klein of the Merzig battalion, "will not even be sent to the airborne school in Altenstadt." The tower, according to another officer, for the first time separates the "wheat from the chaff," the non-jumpers from those who "have the right stuff to jump." This differentiation between jumpers and non-jumpers, chaff or wheat, reflects much of the very special way in which the soldiers of the smallest division in the Bundeswehr see themselves.

Seventy percent of the division--roughly 5,000 men--are jumpers, explains Lt Col Klaus Macherey, the airborne division's general staff officer for personnel. "We apply two major criteria when selecting draftees and long-term

personnel," says Macherey, "the ability to jump and fitness for jumping." Those who belong to the 70 percent are easily recognized. On the right side of their uniform jacket they wear the "jumper's bird," a stylized wing with a parachute. Depending on the number of jumps, the emblem is edged in bronze, silver, or gold, which corresponds, respectively, to more than 5, 20 or 50 jumps. The division commander, Maj Gen Christoph-Adolf Fures, emphasizes the importance of this emblem of performance to his soldiers: "I have rarely commanded such a highly motivated, well-trained unit. Although war is more distant than ever, I am convinced that this unit would fight to the last. To a large degree, this special motivation comes from jumping and from being physically prepared to do so." "The spirit of the airborne infantry," states division staff officer Lt Col Hans-Heinrich Dieter, is nourished on the one hand by the fact that all division personnel, regardless of grade, experience the same hardships when jumping, and, on the other, by a certain "penchant for adventure." According to the lieutenant colonel, "this diffused sentiment is being encouraged during training by physical demands and by sport," while his equal in rank, Macherey, adds that "one is simply proud of one's own capabilities." By the way, the word "proud" is a concept that repeatedly surfaces in discussions with General Fures and his staff. There is hardly a major unit in the Bundeswehr that has such a high regard for its abilities (and for itself) as this division with the parachute emblem and a diving eagle on its Bordeaux-red beret.

The symbol of the predatory bird in diving flight has been taken over by the Bundeswehr airborne infantry from its Wehrmacht predecessor. The history of the airborne infantry is short and bloody. U.S. General Billy Mitchell first developed the airborne infantry concept toward the end of World War I. Mitchell wanted infantrymen with parachutes to jump behind the German lines on the Yser front. The first airborne infantry unit dropped from the sky in the Soviet Union in 1930, and in 1936 several thousand Red Army soldiers were "deployed with parachutes" near Kiev during maneuvers. That same year, on 29 January, Hermann Goring issued the order to train an airborne infantry within the air force organization. An airborne infantry battalion was also set up by its rival service, the army, in 1937. Tacticians were arguing even then about the way in which such units should be used. The air force talked about creating small commando units ("destruction tactics"), while the ground forces wanted to employ the new elite soldiers at decisive combat centers in large numbers and with as much surprise as possible.

The myth of the German airborne soldiers, on which the Bundeswehr's airborne division still likes to feed, was created primarily by two battles: the conquest of Crete and the defense at Monte Cassino. On Crete, in the first and only mass drop of German parachutists, the high casualties proved that such daylight jumps, when the enemy is not taken by surprise, will end either in disaster or a pyrrhic victory. Consequently, in their conceptual planning for the Bundeswehr's new airborne infantry, staff officers have preferred to follow the Monte Cassino model. On that occasion a relatively small number of well-trained infantrymen defended the monastery mountain for months against an enemy vastly superior in numbers and military equipment. The infantry companies in Merzig, Nagold, and Wildeshausen are still singing "in Crete the flags are flying, but we, the airborne infantry, were still victorious." However, the

division command post in Bruchsal near Karlsruhe is surprisingly unequivocal in saying: "Deployment in central Europe after a jump would definitely be an exception." Does this mean that the parachute jump is only military nostalgia, adherence to tradition, and an expensive test of courage to maintain esprit de corps?

The Rotor Blade in the Emblem

Definitely not, General Furs argues emphatically. One can see a large increase in airborne troops in the Warsaw Pact who are also being trained as parachutists. To counter them--and also possible armored breakthroughs--one needs a strong defensive unit that can be moved by air--in other words, the airborne division. Lieutenant Colonel Dieter added that it is conceivable friendly units, up to 500 men, can be deployed by parachuting them to surprise the enemy and to create something like a bridgehead for companies and battalions that will follow later in helicopters. The ability to execute targeted personnel movement by parachute is also needed for special reconnaissance missions or to prepare landing zones for helicopters. Moreover, according to Lieutenant Colonel Dieter, giving up parachute training would also mean "losing the know-how acquired over decades."

The "parachute infantryman" concept is somewhat misleading today in view of the relatively minor role played by jump duty. There is good reason why this major unit bears the name "airborne division." While the roughly 7,000 soldiers--organized into 3 brigades, of which one is assigned to each of the 3 German Corps in the north, west, and south--are supposed to be highly mobile, they are, nevertheless, not motorized: The helicopter serves as their only means of transport. The division has to rely on helicopters to such an extent that it would be more appropriate if its emblem contained a rotor blade instead of a parachute. The "Fast Kite" maneuver carried out by the 26th Airborne Brigade, which is scattered over various garrisons in the Saarland, clearly shows how the planners envisage the employment of airmobile infantry as well as the obstacle of military tradition.

Red Is the Color of the Enemy

In the lovely landscape of the Moselle region, southwest of Coblenz, the 26th Brigade, commanded by Brig Gen Fritz Eckert, wants to practice not only such, for it, "normal" matters as defense against penetrating enemy armor, holding particularly "advantageous" terrain, or rapid redeployment by helicopter. In line with a new concept for the 1990's, very close collaboration with army pilots should also be practiced. The underlying concept here may be--as one could recently read in a professional journal--that at some future time airborne soldiers and helicopters may be allowed to operate within a single military unit under unified command, a concept that is currently implemented by the U.S. Army with its airmobile cavalry. "As a result of the integration of helicopters, including antitank helicopters, and later even a yet-to-be-developed combat helicopter," explained brigade commander Eckert, "a concept may be developed similar to that of combining tanks with armored infantrymen." However, a long road remains to be traveled before this can happen, especially since the tank clearly dominates military thinking in the Federal Republic, and since light infantry (such as airborne or mountain infantry) does not have much of a lobby in the Defense Ministry.

None of this has much of an affect on Staff Sergeant Peter Nenno, platoon leader in the 3rd Company of the 261st Airborne Infantry Battalion. He has been sitting for 3 hours with barely 20 men in the Elzbach Valley awaiting the red troops (red is always the color of the enemy in maneuvers). The valley brook cuts deeply into the mountain and is very winding. The slopes are overgrown and offer protection against being seen--this is what is called infantry terrain. The airborne infantry is being trained to fight not only in such terrain but also in defense of populated areas. Like his comrades in the airborne division, Staff Sergeant Nenno spends about half of his duty time away from the garrison. Above the bridge, which Nenno is supposed to hold, on the opposite side, are TOW and Milan antitank missiles. Their mission is to inflict losses on the approaching enemy from their camouflaged positions, using the elements of speed and surprise. These two components constitute the strength of the airborne division: an excellent, well-trained infantry force equipped with a large number of antitank missiles.

Well-Defined Self-Assurance

However, it is not unusual for problems to arise before this infantry contingent reaches the areas it is supposed to defend. During the 26th Brigade's "Fast Kite" maneuver, for instance, army pilots landed some infantry companies several kilometers away from the designated landing zones. The helicopters took off with a loud roar while the infantrymen stood there. It then took several hours for them to reach the planned sites. Since the so-called "Kraka," a motorized cart, is the only vehicle the helicopters can carry, airborne soldiers who are dropped off at the wrong point must be sturdy marchers. The motorized cart, which is something of a cross between a motorized wagon and a tiny automobile on four balloon tires, carries weapons, antitank missiles and baggage, but for the infantrymen there is often no space. "For landings at night," comments an infantry first lieutenant, "the error rate is even higher, which means marching until morning."

The fact that the airborne infantry has almost no heavy equipment or vehicles at its disposal constitutes, on the one hand, its special mobility and combat strength. But, on the other, the absence of any armor is a weakness. "We have a saying," states General Eckert, "that the heaviest armor for an infantryman is his mark of recognition. There is, unfortunately, a lot of truth to this." If the infantrymen cannot find cover in builtup areas or time to dig deep foxholes, they have practically no protection against enemy fire. Additionally, after the departure (or destruction) of the helicopters following a landing, the infantrymen can move only as fast as they can march. "Once we have taken up a position," explains a first lieutenant, "we must want to stay where we are." The voices can be heard time and again of those who want to transform the First Airborne Division into a mechanized infantry division with airborne infantry units.

Thus, the division will receive a vehicle in the coming years that everybody is looking forward to with great anticipation. It is an airborne armored vehicle, called the "Wiesel," that is supposed to replace the obsolete, underpowered, and always failing "Kraka" as a weapons carrier. While the "Wiesel" will offer protection against splinters and hand weapons for the antitank

companies, and will provide much greater mobility on roads and over terrain, "marching" infantry units will still remain as defenseless and slow as they are today. The matter of the "Wiesel" is not the least that concerns the planners, and affects their thinking about the possibility of restructuring the organization.

However, today's relatively low technological level of the infantry companies is not always the subject of criticism by leaders and commanders. On the contrary: "Because we have so little technology," states Lt Col Reinhard Gunzel, commander of the Merzig battalion, "we can carry out the necessary combat training to maintain our high standards." For the infantrymen this demand by the officers means that they--more frequently than others--must traverse the obstacle course, train for capturing buildings, or master the art of killing enemy guards as noiselessly as possible.

The Elite Radiates

The 262d Battalion, together with U.S. airborne soldiers, Belgian para-commandos, British Lancers, and other units, form a part of the mobile operational force available to NATO's commander-in-chief. This so-called AMF Brigade (Allied Command Europe Mobile Force) annually practices the defense of areas that one would hardly consider as being of much interest to an aggressor--eastern Turkey, for instance, or the northern part of Norway. These are interesting trips for the draftees of the Merzig battalion. However, staff officers complain about preparations that stretch out for several months and noticeable problems in cooperation with some NATO partners.

In view of the very pronounced self-assurance of the parachute soldiers, the divisional command exhibits an almost strange restraint concerning the "elite" concept. Even though Defense Minister Manfred Wornier recently confirmed that the division numbered among "the best that the Bundeswehr has to offer," General Fuchs states emphatically: "I will never claim that we are an elite." In the course of the discussion about an elite, it became increasingly obvious that the general and his staff were flirting somewhat with their modesty. Lt Col Michael von Beust related, for instance, that the question "What is an elite?" is one of the "hemorrhage questions" in the examination for field-grade officers. "The right answer is: 'Light is cast on prominence, but radiates from an elite'." The lieutenant colonels surrounding the division commander, all of whom wearing their golden-edged parachute, lean back and may think: "Yes, one could say that...."

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INFANTRY TRAINING CENTER VITAL TO RESERVE FORCE DEVELOPMENT

Bonn WEHRTECHNIK in German Nov 86 pp 42-47

[Article by Inge Dose-Krohn: "Mecca of the Infantry--Combat Infantry Training Center No 1"; first paragraph is WEHRTECHNIK introduction]

[Text] In a combat situation, every arm of service sooner or later, depending on the situation, reaches the point of commitment--whether tankman or engineer, whether fighter-bomber pilot or underwater demolition expert. On the other hand, the infantryman is in action from the very beginning and constantly during any kind of combat engagement. With the infantry, that is to say, with armored infantrymen, motorized infantrymen, mountain infantrymen, paratroopers, and security troops, events on the battlefield stand or fall. Dismounted combat on the part of infantry, and primarily the command of groups and platoons, requires a high degree of specialized knowledge, combat experience, and command of people. It is the mission and the goal of the combat training center at Hammelburg to impart these capabilities. The name stands for the Infantry School of the German Army, as well as for the "School for the Territorial Army." WEHRTECHNIK sought to inform itself in the "Mecca of the Infantry" regarding the extensive mission of the school which lately also includes the training and advanced training of reservists.

The KTS-1 [Kampftruppenschule 1, Infantry Training Center] is responsible for training leaders and for the conceptual further development of the infantry. Command personnel of the security troops of the Air Force and Navy are provided additional training here in infantry-type courses. But the school is also the school for the territorial army. Here, in numerous courses, officers and noncommissioned officers are prepared for missions within the territorial army and in cooperation involving the territorial army. Friendly nations also assign their soldiers to these courses.

The portion entitled "Infantry School" (IS) primarily provides leadership training at all levels from NCO candidate through regimental commander. Career training courses are augmented by courses concentrating on specific applications; thus, there are inspection courses for driver training officers, for mortar instructors, firing instructors, and telecommunications training conducted by experienced troop instructors and specialists. Overall, the teaching material in theory and practice encompasses the classic mission spectrum of a school intended to impart the necessary know-how to members of the arms of services pulled together under the concept of infantry.

There is barely any NCO within the realm of the "queen of all arms of service" for whom the Hammelburg school had not been a military "home" for some time. Each of the five directorates of teaching groups A and B have noncommissioned officer training courses (Part 2) for motorized infantrymen, armored infantrymen, and mortar crews, sergeant training courses for armored infantrymen, and military vehicle driver instructors. A similar situation obtains with respect to participants in the officer, senior officer cadet, or platoon leader training courses.

In addition, the infantry school stands "in the service of" both the other arms of service. Whoever is designated to protect Navy support facilities, ports, support points, telecommunications facilities, and other installations must be given infantry training. And, just like the Navy does not only operate on water, the Air Force does not only move in the sky. Its airfields, depots, antiaircraft facilities must be secured and, in case of need, defended. This also requires infantry training and it is given here. So, it is not surprising that an inspector of the Air Force visits his Air Force soldiers in an Army facility, as occurred last June when Lieutenant General Eberhard Eimler visited in Hammelburg.

Simulation Provides Practice

Attractive large instruments used for training purposes or appropriately expensive simulators such as those that exist at the Infantry Training Center No 2 at Munster are naturally not seen at the "sister" facility at Hammelburg. However, simulation is undertaken here because it provides practice. For one, there is the observation trainer used to train mortar crews. This modern piece of training gear, the Model BT-33 manufactured by the Swedish firm of Saab-Scania, can use a computer to project combat situations and hit indications on a large sector of terrain and uses a noise simulator to simulate hits at varying distances.

Furthermore, future mortar observers undergo training using an observation simulator--the Baranoff instrument. Its terrain relief is covered with a smoke powder mixture; a small smoke cloud indicates the impact and serves as a control to see whether the round "sat" properly. Finally, course participants are trained on a room firing device which, as training officers, they will later find at mortar units and will be able to use, in turn, to train young mortar crews.

During night combat training, but also in the night vision center and in the firing motion picture theater, the handling of infrared aiming devices, low-light-level amplifiers, and thermal imagers is practiced. These devices permit observation and firing in darkness and are in use with all arms of service. They take on a high significance with respect to dismounted infantry, where they are primarily used mounted on hand weapons and antitank weapons. The lecture hall here has a capacity for 25 men. While one group is practicing the handling of these devices, the second group is applying the theory in the firing motion picture theater, and a third group practices its accuracy in firing small-caliber weapons at targets. No one has the opportunity of standing about idly during training.

In the antitank center, tank gunners and loaders are trained to handle the remote-control Milan antitank weapon, using a firing simulator. Three antitank guns are set up. Whoever does not actually sit at one of these can follow the progress of the training exercise on a monitor and can learn from the mistakes of his comrades. The simulator reproduces the path of the guided missile in bright luminosity. It impacts on a relief which the firing instructors equipped with movable targets on their own; the targets were made movable through the use of windshield wiper motors in the do-it-yourself mode.

Organization of the School

Since 1 April 1985, the Combat Infantry Training Center No 1 has been commanded by Brigadier General Eberhard Fuhr. His permanent staff consists of 373 soldiers and around 300 civilian workers.

The special ATV (training, troop trials, regulations) is responsible for the efficiency of the teaching material and, for example, is searching for better criteria for field positions and conducts practical tests of new equipment. Currently, in addition to new types of rifles, the ATV staff is testing the Model 3 Panzerfaust even if its introduction is not anticipated prior to 1989, Gen Fuhr says: "There are already now indications for the future for antitank defenders in all arms of service--in other words, also for the grounds troops of the Air Force and Navy." Although the new Panzerfaust has only a range of 100 meters, its penetration performance has doubled in comparison with existing antitank hand-held weapons. "It can breach all currently known combat tanks." Given several other specialties of this weapon, antitank defense will, in the future, be considerably more dense. In conjunction with the grenade-launcher pistol, which is also currently being troop tested here, and the new Model G-11 assault rifle, which is under development, combat conducted by a dismounted infantry group will, according to the commander, receive a "new dimension" in the future.

The KTS-1 school is supported in its mission by the 353d Armored Infantry Battalion from nearby Saaleck Barracks. In training exercises, the soldiers from this battalion demonstrate the capabilities of the infantry. The training battalion supports the training mission of the infantry school with personnel and materiel. However, due to the manifold nature of things this frequently becomes difficult because, after all, it is only one battalion. The school at Munster, for example, has an entire tank training brigade at its disposal.

Training courses for active soldiers have already been mentioned with respect to both training groups A and B with their five directorates. The training group B has attached to it a training workshop for automobile mechanics. In its 3-year training course, each year some 35 trainees are accepted so that the workshop continually has around 100 young people in training. One-third of them live in the apprentice residence home attached to the school; two-thirds live in the vicinity. A majority of the men sign up as long-service soldiers following the training and are attached to the maintenance troops where these specialists, for the most part, soon become noncommissioned officers.

An additional mission complex is accomplished by the typical infantry training terrain at Hammelburg. It is, by the way, the only one which is not subject to its own commander, but, in this case, is subordinate to the school commander. The focal point here is to train all active infantry battalions in forest combat, as well as locality and house-to-house combat. In the attached training village of Bonnland, virtually every infantryman in the Bundeswehr has already clambered house walls or stormed buildings. More recently, Bonnland has acquired a troop decontamination location for NBC defense training.

The village and the other facilities, such as the infantry course, the local combat course, the entrenching course, the night combat course, and a special combat course for frontally overshooting of friendly troops are utilized by NATO components, the federal police, and the police of the various German states, by the firefighting services, and by other auxiliary organizations, such as the technical auxiliary forces, for training and advanced training purposes. Particularly, allied soldiers receive training here under specific military geographic conditions, which characterize the Federal Republic with its compression areas and congested densely populated areas.

The component designated as the "School for the Territorial Army" is a particular component of the combat infantry training center. The key segment here is the 3d Directorate of Training Group A. Defense district commands and kreis commands send their command and training organization personnel from the territorial army here to training courses.

Other target groups of this directorate are the command personnel of mobilization troop components, that is to say, the platoon leader, chief and commander levels from personnel replacement components and field training components. Furthermore, personnel from NATO staffs, whose officers and noncommissioned officers receive training in cooperation having a national impact, for example, in the use of civilian performances such as those involving Wartime Host Nation Support.

Thirdly, training is provided for the already previously mentioned command personnel of security troops attached to the Air Force and the Navy. And last but not least, personnel which are charged with conducting reservist work outside of the Bundeswehr. These are members of the Association of Reservists of the German Bundeswehr (VRdBw) who, as organization leaders, execute military requirements and learn at Hammelburg how to do this in coordination with Bundeswehr requirements.

All told, this portion of the school has 35 territorial training courses in its plan with roughly 1,200 to 1,400 participants per year.

In the course of a new reorganization of the combat training center, effective 1 January of this year, training group A received a fifth directorate. Since 1 October, this directorate has been conducting individual combat training. Since that time, officer candidates must subject themselves to an individual combat training course within the framework of their training to become officers. The center for this activity is Schloss Greifenstein in Bonnland. Until a few years ago, Hammelburg had such individual combat courses running

parallel to those offered by the Airborne and Air Transport School at Altenstadt-Schongau. However, thereafter they were only held there.

All things considered: A broad field...and a no-load operation are foreign words at the infantry school. Nevertheless, the overall army strength, if one converts all arms of service to battalion-size units, runs to 265 infantry battalions, of which 153 belong to the territorial army.

A New Mission

Because the combat training center in Hammelburg is also the school for the territorial army it has become a great training and communications center for soldiers in the reserve. Gen Fuhr says: "In this connection, I am attempting to see to it that we master the training of reservists."

The sentence "Reservists are being trained to be reservist training officers" has much meaning for the general. Because until an effective number of soldiers of the reserve have infantry combat, local combat, and house-to-house combat in their MOS, the permanent staff of the school will be burdened with implementing these training courses. Particularly since, because of civilian professional needs of the trainees, such courses can only take place on weekends. Thus, until the end of the year, Hammelburg is operating almost every weekend: training courses for infantry combat, sharpshooters, and for "helpers in the medical service and NBC defense for all troops" alternate.

However, the permanent staff at the school sees some easing of the situation. For one, the tasks will, in future, be handled by the 5th Directorate, whose soldiers are constantly in service anyway during the 4-week individual combat courses. For another, the reservists who have been trained at Hammelburg include such qualified soldiers that Fuhr can call them in not only for a military exercise to instruct other reservists, but also for infantry training involving active troops. It is a type of snowball effect.

Gen Fuhr set something similar in motion at a totally different level: the infantry school organizes an additional staff officer course with the designation "tactical advanced training for staff officers of the reserve." The participants, who mostly occupy leadership positions in civilian life, are to be trained to provide tactical advanced training for other reserve officers.

Internationally Recognized

Close cooperation with the components and schools of the alliance partners have brought the infantry training center a high degree of respect and has resulted in recognition for its work even among non-NATO countries. Be they military leadership cadres from Pakistan, for example, from the Republic of Korea, or (somewhat closer) from Austria, they come to gather experiences and to find stimulus for training of their own armed forces. High-ranking visits at the school are nothing unusual.

On the other hand, seen from the national standpoint, the school is a forum for the discussion between those responsible for civilian as well as military

defense and thus makes its contribution to cooperation within the total defense. When the chief of the Cologne Army Office, Dr Werner Schaefer, lieutenant general, retired in spring, he selected the Hammelburg infantry training center for his farewell from the Bundeswehr: "It is the representative signboard of the German Army."

Interview with School Commandant, Brig Gen Eberhard Fuhr

WEHRTECHNIK: You have been commandant of the Combat Infantry Training Center No 1, which is also the Infantry School and the School for the Territorial Army since April 1985. Which training area is particularly close to your heart?

Fuhr: The development of the "School of the Territorial Army" and particularly the timely training of reservists, commensurate to future higher requirements. We have, for example, begun to establish additional training courses for reservists--courses which are conducted exclusively on weekends. This is intended to permit the members of the reserve to engage in their civilian professional activities without interruption and still receive training. Furthermore, these training courses are intended to let them acquire the skills of being training officers for reservists. Only if we are successful in establishing a system which facilitates the effective training of reservist leaders shall we be able to assure their action readiness in the Army in view of the massive increase in the reserve component.

WEHRTECHNIK: How do you see the role of the infantry today and tomorrow on the battlefield?

Fuhr: The infantryman, primarily the dismounted motorized infantryman, will always have a priority position. The defense can only be successfully conducted wherever he holds the field.

WEHRTECHNIK: Is it not necessary to provide ever stronger armor to infantry because of the stronger conventional artillery threat by the Warsaw Pact?

Fuhr: I do not see it this way. Even though the number and firepower of the artillery of the Warsaw Pact were strengthened significantly, the destructive force of combined artillery fire is not essentially higher than it was during World War II. Naturally, the infantryman must be protected, be it in order to be transported to where he has to fight or during combat itself. However, this has nothing to do with stronger armor. The unprotected wheeled vehicle as a means of transportation is, however, a relic of the past. Furthermore, well-equipped positions for the protection of dismounted combatants remain decisive.

WEHRTECHNIK: Then, for you, the infantry is even today still the "queen of all weapons"?

Fuhr: One could say so, particularly if one takes into consideration the fact that the infantryman determines whether the engagement will be won or lost, as has always been the case.

WEHRTECHNIK: Dismounted fighting troops are to be strengthened. By placing more weight on conventional defenses, this makes sense. But does that mean more armored infantry combat vehicles or more soldiers aboard individual vehicles?

Fuhr: Neither. We need a total of more dismounted combatants in conjunction with other measures, such as the development of the MARDER armored infantry combat vehicle an armored infantry combat vehicle and an antitank vehicle in the 1990's. With more dismounted infantry which can be rapidly moved in a protected manner and can be directly supported, we shall better be able to face the conditions of conventional forward defense.

WEHRTECHNIK: The Panzerfaust as a weapon for the infantryman--would it be better replaced by wire-guided weapons, for example, by the MILAN?

Fuhr: I see no alternative to the Panzerfaust as a hand-held antitank weapon. It is the weapon with which the dismounted infantryman can combat tanks at short range and it is in this area that future combat will be decisive.

WEHRTECHNIK: To what extent has the plan succeeded to reintroduce individual combat training courses at the school, as was the case once before?

Fuhr: Within the framework of training for officers, there is now a segment for young officer candidates in which they are trained as individual combatants. They must participate in a course which lasts 4 weeks for infantry and 3 weeks for the other arms of service.

WEHRTECHNIK: What is the significance of the development of the G-11 assault rifle for the infantryman?

Fuhr: If this weapon once materializes, then it is an actual further development which can almost be designated as new technology and quite considerably increases the combat strength of the infantryman. But this weapon must first be tested. That is why we cannot yet say whether it meets all the criteria--smaller-caliber ammunition in larger magazines with totally different sights and a new shape--which we are visualizing.

WEHRTECHNIK: Can you describe a typical infantry combat terrain which is specific for the Federal Republic?

Fuhr: Every area, be it in the area of forward defense or in rear areas of the Federal Republic of Germany has very specific typically infantry-type elements somewhere.

WEHRTECHNIK: But there are wide areas here, for example, in Schleswig-Holstein.

Fuhr: If one examines the defense geographical conditions then, in the final analysis, the surface structure in Schleswig-Holstein corresponds essentially to the average for the Federal Republic. What is decisive here also is the fact that visual contact between the weapons system and the target to be

combated--prerequisites for the utilization of the most effective combat distance involving armored forces--is repeatedly restricted and serious obstacle effects are exerted by the infrastructure, as well as by natural vegetation. Even here, then, the infantryman is decisive with respect to the successful conduct of the operation.

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END OF Tergiversation on Bases Issues Advocated

Athens ELEVTHEROTYPIA in Greek 6 Nov 86 p 9

[Analysis by Kostas Angelopoulos: "When Will the 'Hide and Seek Game' End?"]

[Excerpt] The "step by step" theory of improving Greek-American relations-- a result of the official visit here last March by Secretary of State Schultz-- has been implemented for many months now.

Talks between ministers and government officials of the two countries have become more than frequent and the general impression in the political back-stages is that no serious obstacle exists capable of halting this step-by-step procedure in the Greek-American rapprochement.

Moreover, the issues being discussed and moving forward are many: the Defense and Industrial Cooperation Agreement (DICA) and the thorny issue of the legal status of the American forces in Greece (SOFA). Also, no political problem seems to exist in the delay in signing the final agreement with General Dynamics for purchase of the well-known F-16s. At least, it is officially said that the delay concerns technical problems having to do with offset benefits which is an area upon which many points have not yet been agreed.

However, all the aforementioned issues are but the appetizer to the main course which is nothing else but the agreement on the American bases. The bases' issue is well known, mainly from the reports in the Greek and foreign press since the Greek government has never officially given relevant data. The information reaching journalists from behind-the-scene sources are:

--Politically, the bases' affair "is closed" since there is a declared Greek government desire to accept the U.S. request for continuation of the bases' operation even after expiration of the existing agreement.

--Technically, no solution to the issue has been advanced but the Greek and American Ministries of Defense have drafts of an agreement which will be made public in 1987.

--Diplomatically, the U.S. has agreed to show understanding for a discretionary handling of the issue without open pressure, without haste, and without "leaks" to the press in order to facilitate the handling of this sensitive affair by the Greek government.

All those who somehow are connected with the bases' issue agree that the time is not distant when it will be settled within the framework of mutual good faith--dictated, moreover, by the step-by-step normalization of Greek-American relations or, if you prefer, their "calm waters."

Besides these backstage events, there is a pervasive impression at the Ministry of Foreign Affairs that all serious "facets" of the issue remain "secret" and that the whole affair is being handled by the premier and a few intimate collaborators while the appropriate ministries know but very little of what is going on or what will take place in the next few months.

The press, moreover, reported that the bases' question will not be included in the "agenda" of issues Foreign Minister Karolos Papoulias will discuss with his counterpart George Schultz on 18-19 November. Does this mean that developments concerning the bases are in the hands of persons at a level higher than the Foreign Ministry leadership or that, for reasons of secrecy, the issue will be discussed in Washington in a secret *tete-a-tete* meeting of the two ministers?

Of course, we do not expect any up-to-date information on the issue by the government. We never had any such information on any issue. The government avoids giving even the least bit of information on this issue which is the core of our foreign affairs. This means that it evidently has made a specific decision on the bases' issue. It should make such a decision public. Why the hide and seek game? Why so many "culpabilities"? If keeping the bases is to the country's benefit, what is the problem? If it hurts the country's interests, then what is the meaning of the step-by-step process?

CSO: 3521/25

REPORTED 'LIGHT AT END OF TUNNEL' SEEN ON LIMNOS ISSUE

Athens TA NEA in Greek 9 Nov 86 p 6

[Article by N. Khasapopoulos: "Limnos a Station for Receiving NATO Troops"]

[Excerpt] Brussels, November. From our correspondent--A faint light begins to appear at the end of the tunnel concerning the Limnos issue, but it is not expected to provide a definite solution to the friction between Greece and the Alliance. Eduard Burges, deputy to Gen. Rogers and deputy commander of the Allied forces in Europe, has given assurances that there is a plan which will include Limnos in future Allied military exercises. This, however, does not in any case mean that the Limnos issue and, in general, the operational control in the Aegean is about to be solved soon.

Greek diplomatic sources at Allied headquarters in Brussels made it clear that no margins exist for fully ironing out our differences with the Alliance and characteristically pointed out that "just as the Greeks must learn to live with earthquakes, they must also learn to live with the Limnos problem because it cannot be solved through NATO."

What is it then that gives a note of optimism to the Limnos issue? It is true that the Alliance's military complex is promoting what it calls the "Fast Reinforcement Plan" which provides for Limnos' participation in exercises within the framework of a NATO overall plan for a reorganization of its forces in America and in Europe. It is a war plan whose preparation started in 1982 and which includes Limnos as a station receiving and supporting forces which will be sent to an "area of in-depth defense."

In other words, Limnos will be a station from which NATO forces will be sent to other countries. Until this plan is fully completed in 1988 (according to predictions by naval circles, it will include the southern wing) nothing will change in the Eastern Mediterranean.

NATO political and military circles expressed regret for Greece's non-participation in the military exercises and chose to ignore the reasons given for its refusal. Pressed by reporters, the only thing said was "when a soccer team does not practice, it loses the...championship."

Of course, NATO did not invite reporters to its headquarters to speak about Greek-Turkish or Greek-NATO issues, but to update them on its talks at Reykjavik. These two issues, moreover, appeared so "boring" to the Allies that they would not have been mentioned at all had not Greek reporters submitted relevant questions. The Allies appeared to lose patience when questions were asked about Limnos, the Aegean and Cyprus, and insisted that "they see no danger emanating from Greece and Turkey."

They tried to appear as neutral as possible on the Greek-Turkish dispute and persuade the Greeks that NATO faithfully follows the policy of "equal distances" between the two countries even on the issue of Limnos.

7520

CSO: 3521/25

FURTHER DEVELOPMENT OF 'ARTEMIS-30' ANTI-AIRCRAFT SYSTEM

Athens TA NEA in Greek 16 Oct 86 p 24

[Article by Loukas Dimakas]

[Text] Greek Arms Industry [EVO] Chairman St. Kambanis yesterday presented for the first time the sophisticated ARTEMIS-30 anti-aircraft system during a special interview at the EVO pavillion of the DEFENDORY '86 exhibition of defense materiel.

Two years after EVO and the Ministry of Defense signed an agreement for production of the ARTEMIS-30 system for the Greek Armed Forces, EVO presented--and proposed its use by the three arms--the sophisticated weapon which is a coordinated system of anti-aircraft defense with cannon and missiles as secondary systems.

More specifically, the new weapon incorporates in the ARTEMIS-30 system the Apollon missile and the French Thomson and CSF. In coordination with the existing Center of Fire Direction, this weapon will fire the Crotale missile which is well known for its operational efficiency.

With the new missile, the ARTEMIS-30 now provides anti-aircraft cover against low-flying targets and at great distances. Thus, the commanding officer has the possibility of firing at targets either with cannon or missiles or even with both simultaneously.

In this way, Kambanis pointed out, a complete balance of the system's operational possibilities is achieved even in cases of threats by a whole squadron of planes. Already EVO has signed an agreement with Thomson for industrial cooperation with the objective of jointly producing the Apollon unit together with the Crotale missile.

Kambanis characterized this effort as an "heroic step" dictated by the logic that the ARTEMIS-30 is not a static weapon system, but a constantly developing weapon which steadily incorporates technology, especially electronics. He added that the agreement with Thomson is a step forward and that negotiations are being carried on for particular points (such as added value). He noted that the important thing is that ARTEMIS has acquired the missile ability.

Of particular interest is the pavilion of the monthly military magazine AMYNDIKA THEMATA which is visited by many Greeks as well as by foreign visitors to the exhibition.

ARMED FORCES PROTEST 1987 MILITARY BUDGET

Budget Termed 'Untenable'

Lisbon DIARIO DE NOTICIAS in Portuguese 4 Nov 86 p 1

[Text] The Armed Forces regard the proposed military budget for 1987 as "impractical" and "untenable," an upper-echelon source told NP yesterday.

This same source raised the question as to whether the proposal "is not designed to put an end to that institution" or "to belittle it," since "the budget for 1987 is the lowest since 1910, in real terms, while on the other hand it shows an increase which is less than that seen in 1986, despite the promises made by the prime minister last spring."

In addition, there were other major criticisms of the budget. Only because of the institutional limitation preventing representatives of the Armed Forces from voicing their positions on the matter publicly did the minister of finance merely say to the Assembly of the Republic that the military "are not content," NP reported.

The military also criticize the fact that "the modernization and reequipment effort has been practically left in the hands of Portugal's allies in the NATO, which deprives the country of international credibility."

DN attempted to establish whether these challenges to the budget were limited to the high-ranking military source quoted by the NP, but the military circles to which this newspaper talked told us that the criticisms, apart from the fact that they have not just developed now, are being echoed within the establishment, and that the picture painted is correct "except for some exaggeration here and there."

Minister's Reply

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Nov 86 p 1

[Excerpt] Minister of Defense Leonardo Ribeiro de Almeida commented yesterday on the reaction of the upper military echelons to the budget proposed for the Armed Forces. He said that this is "the budget which is possible in view of the limitations of the country."

During a recess in the meeting of the Parliamentary Defense Commission, the minister emphasized that the Armed Forces budget shows an increase of 21.74 percent over that for 1986, from 110 million contos to 134 million.

"Given the financial and economic limitations our country has and the resources available, an increase of 21.74 percent in the budget (and this percentage is substantially higher than the overall average for budget expenditures) speaks for itself," the minister emphasized.

Leonardo Ribeiro de Almeida met with the Parliamentary Defense Commission yesterday morning within the framework of the investigation that commission is making to assess the pertinent category in the state budget for 1987 proposed by the government.

5157

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REPLACEMENT OF ARMY CHIEF OF STAFF PROMPTS SUCCESSION POLEMICS

Lisbon O JORNAL in Portuguese 14 Nov 86 pp 22-23

[Article by Pedro Pizarat Correia, a brigadier general now in the reserve and formerly a member of the Council of the Revolution]

[Text] The issue is there now, a subject of public discussion. One reads about it in the newspapers and it comes up in conversations in military circles ever more frequently. This was inevitable. With the approach of the end of the term of office of the chief of the Army General Staff because of Gen Salazar Braga's inflexible age limit, the discussion as to who his successor will be is intensifying.

Those who pay close attention to these problems must still clearly remember what happened when the preceding CEME, General Garcia dos Santos, was replaced under conditions which were unjustified and unjustifiable because of their taint of persecution, regrettably involving the Army in the interplay of political-party compromises and murky maneuvers in the struggle within the superstructure of power. And so when the government intention of relieving him was announced, not the slightest gesture of solidarity with their commander could be seen on the part of the generals heading the departments on the highest Army level, even those chosen by him, nor was there the slightest signal of displeasure with the political-party manipulations of which the establishment was the victim. The only concern which motivated the military then was to win the race to replace him.

Although the dismissal now is not a cause of controversy as that one was then, the reasons behind it are not very different. The names of the "candidates" are beginning to emerge, and they offer no great surprises. There are a number of individuals who were certain to strive toward this goal.

The Candidates

One has been a candidate for every summit post in Portugal since 25 April, a date which after all justifies a number of reservations about him. Perhaps no military officer ever received so much from a revolution to which he had given so little. A minister who left not the slightest evidence of his actions under successive governments, he was unable to play the role which fell to him during the period in which a revolutionary military regime was in power--that

of the military officer providing liaison with the government, or a government official providing liaison with the military.

Then, without having evidenced any special merit, he rose meteorically in 4 years, through successive appointments, from lieutenant colonel to general. As a general, it was said that he never settled anywhere, because he was a constant candidate for further advancement, only coming to rest when he won the second highest post in the Army hierarchy, where he waited patiently for the opportunity to become number one. But while he moved through various high-ranking military departments for periods of just a few months and without leaving a trace of his passage, during which time his only outstanding concern was to prevent the discredit to which too much effort might lead, he was a frustrated candidate for the presidency of the republic in 1980 and 1985 and for CEME and CEMGFA in 1983. Since 1984, Firmino Miguel has, as the present CEME, assembled the most undistinguished, least innovative, most ordinary team to have headed the Army since 25 April, one whose prestige on all levels is very close to zero.

The other name being bruted about is that of Tome Pinto, who has been able to direct his unconcealed ambitions with this opportunity always in view. Extremely cautious in maintaining a distant image, his attitude was dictated by each successive moment. When collaboration with the post-25 April revolutionary regime paid dividends, he served on the Fabio's general staff, specifically in the intelligence department, when he was CEME, and when Vasco Lourenco was in command, he was chief of the General Staff of the Lisbon Military Region. But he quickly set himself apart when, under the leadership of Rocha Vieira and Pedro Cardoso, the open persecution of the military officers most dedicated to the revolution intensified. I do not believe, however, that the Army would accept a new CEME coming directly from the general command of the GNR without reservations.

The Forgotten Individuals

The fact that these names have been mentioned, and it has long been known that they would be, raises a timely question.

Why is it that the names of some generals, whom broad sectors of the Army (I even dare think that they may be in a majority) would like to see become CEME are never even mentioned?

Why not Garcia dos Santos, already a four-star general, who was without a shadow of a doubt the CEME who projected the best image since the constitutional regime became effective? Inclined toward dialogue and innovation and with a capacity for administration, he did in fact adopt measures making it possible to foresee the reorganization of the Army. An active participant in establishing democracy, he put an end to the dynamics of retaliation against the military officers involved in 25 April, bringing about real pacification within the Army. He was, moreover, the only one to achieve this, for the others, all the others, before and after him, although they always spoke of pacification, never ceased to exacerbate tensions through measures characterized by discrimination and persecution.

Why not Franco Charais, a veteran military officer committed from the very first to 25 April? At the most difficult moments, he plunged in and risked everything, demonstrating his command capacity when commanding a region was not a mere palace routine, but required courage, intelligence, a willingness for dialogue and a decisive spirit. He knows the country and the power structures, the Army and the other armed branches well, and he has shown he is capable, even in the most delicate periods, of acting independently and rejecting manipulative tendencies or efforts.

Why not Aurelio Trindade, a general who thanks to his uprightness is certainly one of the most respected and prestigious in the Army? Having proved his capacity for decision, he has proven his worth in all the roles he has played, despite the efforts of others to exclude him from the main decision-making centers. Actively committed to the events of 25 April, he has remained exclusively dedicated to military functions, never shunning critical positions when he thought he should support them, but never rejecting his participation in the revolution.

Why not Belchior Vieira, a general with great prestige both within and outside military circles, within the country and abroad, thanks to his vast education, organizational capacity and commitment to dialogue and contemplation? For 4 years he was the director of the IAEM, through which a high percentage of the current higher officers in the Army passed, which equipped him with a profound understanding of the Portuguese military reality and enabled him to win great respect and esteem, in professional and human terms, from all of these officers.

Perhaps these brief career summaries will in the end reveal some of the reasons why certain centers of pressure are hastening to put some names, but not others, forward. The fact is, unfortunately, that the clear thinking of Eduardo Lourenco, when he said that "no greater democracy is required of any citizen than that demanded of those who bear arms" does not have an echo in our military hierarchy nor is it accepted in our political hierarchy. The paradoxical truth is that in this country which awakened to democracy on 25 April, its democratic commitment has been a burden for the military instead of a source of merit.

Intriguing Indications

Some other considerations merit thought.

When the last list of officers promoted to the rank of general came out, the polemic arguments focused exclusively on the failure of Pezarat Correia to win promotion. Perhaps because he is a public figure, the political persecution aspect of his being passed over was more obvious. But this contributed to the failure to note other intriguing indications contained in this promotion list.

One was the fact that Sa Seixas was passed over for promotion, and as a result went immediately into the reserve because he had reached the age limit for a brigadier general. Thus a noteworthy officer, who would certainly have been an excellent general in any of the functions requiring that rank, was lost. But as an upright, demanding and wise, if irksome, individual, he never

refused to make what contribution he could to the revolutionary process at the most chaotic moments and in the most difficult situations in its course, and in the end he paid the price for his uprightness.

There is another more sophisticated and perhaps more Machiavellian indication. I will have to explain a bit in order to make it clear. The three new generals were members of a group of eight officers who were all promoted to the rank of brigadier general on the same date, 7 April 1982. The first among the eight, in terms of seniority, was already a general at the end of 1985, while the next three, including Sa Seixas and Pezarat Correia, whom we have already mentioned, were not promoted, although the next three were. There remains the eighth. He was Loureiro dos Santos, who was thus the only one in this group of brigadier generals whose capacities were not rewarded. But why? Let us recall that Loureiro dos Santos met all of the requirements for promotion, and common sense dictated that he would inevitably be promoted. And stranger still, he was already serving in a general's post as commander in chief in Madeira. It is therefore at the very least suspicious that the promotion list stopped just short of his name.

Perhaps this can be more easily explained if the case is examined in the light of the battle for the leading army command post.

If Loureiro dos Santos had been promoted at that juncture, he would have been a serious candidate for the post when the problem of replacing Salazar Braga arose. And those in the race and capable of influencing promotions, more specifically Firmino Miguel, would not have been very pleased to have this additional competitor.

All of this is merely a hypothesis. But who will deny its verisimilitude?

There is yet another question which should be examined. While Salazar Braga will not reach the age limit until 29 March 1987, and therefore need not resign his post until that date, there is talk of his retirement at the end of 1986, because he will have completed 3 years in his post on 14 December. Is this decision entirely innocent?

I recall, purely for purposes of contemplation, that Soares Carneiro, a general whom the right wing in power today will never forget, will reach the age limit for a general on 25 January 1987. If Salazar Braga is not replaced until he reaches the age limit, Soares Carneiro will inevitably be in the reserve. But if he is replaced when Salazar Braga completes his 3 years in office, Soares Carneiro could still be a possible replacement for him, and the possible fourth star would give him 3 more years on active service as CEME (or even as CEMGFA, which post he might subsequently attain). The prominent role played by Soares Carneiro in the Command Association must not be forgotten. And we often hear it said, even by the most respected spokesmen, that it is the Command Association which controls the Army today.

The Profile of a CEME

All of these considerations obviously have a speculative basis. But the speculation arises from the mention of the first nominees, which is, moreover,

a practice to which some faceless centers of pressure have accustomed us, in order to make these individuals naturally acceptable, as if they were inevitable.

The process should be the reverse, beginning with a definition of what should be expected of a CEME today in a country such as ours, with the national goals set forth in the Constitution and with the Army which we have and which we need.

An analysis of the duties of the official in question, according to the National Defense and Armed Forces Law, shows that apart from those pertaining to the management, coordination and administration of his branch, that is to say as commander of the Army, his role as a member of collective bodies with very great responsibilities--the Higher National Defense Council, the Higher Military Council and the Council of Chiefs of Staff, is of decisive importance. It is in these bodies that, apart from the innumerable administrative tasks, problems as important as strategic concepts on various levels, military budgets, armed forces systems, equipment planning, annual troop strength, the assignments of the branches and operational planning are defined. This makes a tremendous sense of balance essential in order to be able to judge the role and the value of each branch in terms of the conflicts in the Armed Forces and their overall role within the national picture. Once this point of balance has been found, the greatest firmness and capacity for dialogue are needed to defend it.

This firmness must be based on a strong personality and great professional ability, solid prestige, both within and outside the branch, as well as intelligence and good sense. It must be deep-seated firmness, enabling the officer in command to resist the manipulative pressures the political regime will always attempt to utilize. And it must be a balanced firmness such that, without any desire to maximize the importance of his branch within the framework of the Armed Forces, the officer will be capable of reversing the present trend toward a decline in its importance. This trend can be seen today in the Army as a reality which the present commander has never been able to reverse. The geostrategic dictates of the country, its role within the Atlantic Alliance and the obviously great technological demands in the other branches have led to an effort to subordinate the Army. The basic principle which says that there can be no naval or air power without a land force is being forgotten. On the other hand, the Air Force and the Navy, mainly the latter, continue to carry out missions in air and maritime space, while the corresponding missions on land are distributed among the PSP, GNR and GF.

A final but no less important need is for the definitive elimination of the systematic persecution of the military officers who made democracy possible in Portugal, persecution which was only suspended under the command of Garcia dos Santos (the other branches did not prosper during this interregnum, either). The military leaders behaved as if they had been the losers on 25 April, and as if, as of 1976, the hour of revenge had come.

The Army again presented the image of a body closed in upon itself, hostile to the values of democracy and mistrustful of all activities with a cultural content. The CEME must not encourage this tendency, as has been done,

particularly in the past 3 years, but must be capable of reversing it. To do this the CEME must be a man who wants to do that, but also one who is characterized by competence, determination, intelligence, an open mind, good sense and prestige, if he is to be successful.

The pressures which are beginning to be clear point in the direction of maintenance of the status quo, rather than a change in it. The centers of pressure which have determined the Army's course know whom they can trust.

5157

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END OF MILITARY-CIVILIAN CONFRONTATION ON ALLOCATIONS ADVOCATED

Lisbon DIARIO DE NOTICIAS in Portuguese 25 Nov 86 p 6

[Editorial: "The Complaints of the Military"]

[Text] It is a long-standing complaint that the military hierarchy have had and that was once again echoed in the speech by General Lemos Ferreira at the 25 November commemorations: the facilities available for maintaining the military establishment are inadequate in comparison with their responsibilities. What can be considered, to some extent, a novelty, at least in relation to what has occurred in recent times, is the unpolemic context in which the observation is formulated and the spirit of relationship to all the problems faced by the nation as a whole.

As a matter of fact, and as we have said here several times in the past, no one can honestly deny that, compared with the sophisticated demands implied in maintaining an autonomous military defense apparatus equal to the tasks of preventive guarantee of territorial integrity and to participating in NATO structures, the budget appropriations channeled to the armed forces annually do little more than safeguard the minimum needed for maintaining a position worthy of a sector of such importance. Nor can anyone deny, on the other hand, that successive governments have postponed the necessary examination of the real requirements of defense faced by the nation since withdrawing from the African theater of operations. Troop strength was reduced, equipment was modernized at a rate perhaps differing from what would have been desirable, but the armed forces continued to be a polemic issue, to the wonder of so many who felt that, in a democratic regime where power is clearly derived from the legitimacy of the vote, such an issue didn't even make any sense.

As a general rule, the polemic is reignited each time the state budget is under discussion. The military leaders complain, there are complaints from many sectors whose complaints seem suspect of wanting to prolong alleged privileges and to intervene in public life to a degree not tolerated by the prevailing political situation. But the truth is that, despite this, as the armed forces chief of staff acknowledged yesterday, much has been recovered relative to what existed in 1976, as a consequence of the 25 November operation and the resulting restoration of the normal functioning of the state and of society. It could be said that it was not very difficult, to such a degree had disorganization completely undermined defense structures. But the recovery, we are inclined to believe, went much further than a mere housecleaning of the barracks and the hierarchy, even leading to an acknowledged

meritorious participation in the tasks deriving from our presence in the Western defense bloc.

Of course, there are reasons for dissatisfaction and the president of the republic himself just recently acknowledged their legitimacy in speaking up against some accusations that had been made against the armed forces. It happens that such dissatisfaction can be properly reduced only if expressed and considered by the nation as a whole and in harmony with the channels of authority. To continue a polemic between military and civilians is, in fact, to prolong an issue that no longer makes any sense. The military must come to realize that and the political leaders must cease to view them as a body apart with which they must negotiate in order to keep them peaceful and loyal.

8834

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CONCERN EXPRESSED OVER ENVIRONMENTAL DESTRUCTION

Istanbul CUMHURİYET in Turkish 13 Jul 86 p 3

[Article by Ali Sirmen]

[Text] In an old mosque courtyard in Bursa
Water ripples in a tiny fountain
A wall's left standing from Orhan's day
And an ancient plane tree, the same age
A quiet day filters all around
The melancholy following a dream
Smiles at me from far away
With the coolness of hundreds of fountains
The green of the plains, the blue of the sky
And the most divine of architecture

This is how Ahmet Hamdi Tanpınar portrayed that beautiful city in "Time in Bursa."

That was the ancient time in Bursa. It no longer exists. There is no longer the green of the past in Bursa, nor can the most divine of architecture be seen between the reinforced concrete Laz structures -- not even by Tanpınar, if he were still alive. The wall left standing from the time of Orhan, who has come and gone, remains in a corner, unseen. The old plane tree living alongside the work of master builders no longer excites visions in anyone, no longer sways with splendor, with the pride of age. The plane tree in Bursa is, in reality, taking its last breath.

In fact, not only in Bursa, but in a number of areas on our continent, the plane tree is in the critical throes of death.

The plane tree has existed on our planet for 90 million years, a period stretching so far back that we have great difficulty understanding the concept. Yes, for a full 90 million years, it thrived here and there. It encountered many, many changes throughout the ages and lived through those. It survived concrete and asphalt that wrapped itself around its roots, environmental pollution, even acid rain. Then it faced an epidemic similar to AIDS. A microscopic fungus known as *Cerotocystis Fimbriata* is killing the plane tree.

The disease arrived from the New World in 1947 along with 61 Americans. It was not, however, recognized and understood until fairly recently, until 1974. It was in subsequent years that its horror became visible. The severity of the disease was much graver than had been imagined. The epidemic was as fatal as sulfuric acid poured on the roots of this species, which had existed for 90 million years. In fact, within the last 15 years, 80 percent of the plane trees on the eastern seacoast of the United States have succumbed to the epidemic of this invisible-to-the-naked-eye fungus.

In the past 4 years, Italy and France rolled up their sleeves and are spending millions and billions to save the plane trees. They pour out money, cut down diseased trees, pull out their roots, and disinfect carefully the tools used in this work.

These efforts are being made solely to save the plane trees from death, to stop the frightening epidemic.

In our country, however, no one is concerned about the plane tree, nor about any other tree. In an article entitled, "Forests, too, Are Dying," in the 8 July issue of CUMHURIYET, Prof. Dr. Ismail Eraslan spoke of the dangers facing our forests and our trees, criticized the inadequacy of the measures taken by the state in this area, and said, "First the trees will die, then mankind."

Even this truth, however, does not affect anyone at all. While our forests are being eradicated through lack of understanding, lack of knowledge, and indifference, our meadows are being eliminated consciously. As if that weren't enough, persons who have obtained the authority to make decisions in the name of the government complain not at all about enterprises that will destroy meadows, forests, the environment.

As I write these lines, I look out at the Turkbuku Inlet stretching out in an unbelievable dark blue before me, untouched by the shadow of the Eda Pension, and I hear a Joan Baez folksong coming from a tape recorder within. I think about the village of Turkevleri on the tip of the bay on the other side of the peninsula. I can speak of the beautiful greens and blues of Gokova, which will be eradicated by the Ozal government's decision, but didn't we all destroy it by cooperating politely with Ozal when it wasn't necessary?

When Ozal's obstinacy prevailed on the topic of planting a thermal power plant in Gokova, an Italian newspaper wrote, "With this decision, Turks have proven that they do not know the value of the natural resources they possess."

I wonder if the total destruction of our environment, acting as if we are unaware and unconcerned about it, stems from our lack of knowledge about its value, from our savageness?

Why, when other nations have come face to face with the problems of environmental pollution and are working with gradually increasing sensitivity and drive on this topic, are we so unconcerned?

What is the difference between the American who strives desperately to raise trees and flowers in the concrete jungle of Manhattan and the Anatolian who acts as if with total disinterest?

What is the source of the difference between the French, who swoon over meadows surrounding Paris, the plane trees in the Mirabeau courtyard of Aix-en-Provence, and our people, who destroy the green Bursa plain?

It is true that a lack of understanding of value is not a satisfactory explanation here. It is not possible to say that the Turk, who knows the value of everything he possesses and who is sensitive about even the smallest thing, does not know value. He has, for hundreds of years, painstakingly cared for everything that he has obtained, earned with extraordinary difficulty.

In that case, how is it possible for him to destroy, with such indifference, the environment, his most valuable treasure? And how is it possible for him to participate, lustily, in the destruction of nature when, in contrast, men in developed nations are so sensitive to it?

The answer to these questions lies, perhaps, in the difference between the levels reached in the war with nature by the Anatolian and the citizen of a developed nation.

In fact, a member of a developed, industrialized society has now reached the point at which he can claim his own independence in the battle with nature. He no longer feels its pressure. To the contrary, he reigns supreme over nature in many respects. And when he reaches this level, when he attains a series of possibilities in regard to nature, a man becomes comfortable and, at the same time, comprehends his place in the natural environment as well as the importance the environment holds for him. In fact, he has reached the stage of harmony with nature.

It is not yet the same with the Anatolian. Despite all the progress that has taken place in the last 60 years, the Anatolian has still not achieved independence in the war with nature, has still not attained the level reached in this battle by a member of a developed, industrialized nation. For our people, nature remains a force that must be fought and overcome. In short, our people have not yet reached the point of harmony with nature, have not established friendship with it, and still regard it as a power that must be conquered rather than as an ally that must be protected.

And, it is for this reason that our people attack it mercilessly.

The concern for the protection of the environment exhibited solely by our scholars is but a joke to the masses.

In our opinion, the reason for our dangerous attitude toward nature is due more to the fact that we have not yet won the battle with it than due to our not comprehending its worth.

When stressing this truth, however, it is necessary to emphasize one point. What a pity it is that the people of our country, which has not been able to develop to the point of harmony with nature, hold in their hands the weapons belonging to people who reached that stage long ago. And, when these weapons are used without an awareness of harmony, we are faced with the grave danger of the disruption of nature at its very roots.

I am afraid that, until we transcend this period of lack of consciousness and until we understand the need to be in harmony with nature, nothing at all will remain with which to harmonize but a truly barren, filthy monster.

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END